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Montreal – Birthplace of a Continent

MONTREAL, QUEBEC, CANADA, founded by Maisonneuve in 1642, has become the metropolis of Canada. With a population of 1,395,000, it is the largest city in Canada, the seventh largest in North America. It ranks next to Paris and Marseilles as the third largest French city in the world.

Like Manhattan, it is built on an island. The city proper has an area of 50 square miles, while Montreal Island is 32 miles long by approximately nine miles at its greatest width. Linking the Island with the surrounding mainland, in all directions, are eight vehicular bridges in addition to five bridges devoted exclusively to railroad traffic.

Montreal is a city rich in traditions, basking in the reflected history of many yesterdays. It was the furthestmost outreach of 16th Century New World exploration; outpost of French civilization in a forest of Indian savagery; crossroads where missionaries, traders and adventurers laid their plans for the opening of a continent; and an island bastion over which the flags of three great nations have flown. Every street is a pathway to history.

From its earliest beginnings, Montreal's history has been closely associated with the Church. No city on the continent is richer in cathedrals and churches, temples and other sacred edifices of all the faiths.

Montreal is famous for its shops of every description, from large modern department stores to specialized shops carrying luxury and novelty lines. To idle through the display rooms of the larger department stores is to witness modern merchandising at its best.

Industrial Montreal is known not only for the wide range and diversity of its products, but also because of its ready adaptation to the ever-changing needs of the times. In addition to its leading position as an exporter of the products of Canadian industry, it is one of the principal centres of production for the domestic market.

Montreal is the home of the Credit Granters' Association of Montreal, the fourteenth largest unit of the National Retail Credit Association with a membership of 636 as of February 15, 1957. The unit was organized in 1944 and A. G. Harding became secretary in 1952.

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CREDIT WORLD 3
MARCH 1957



Education for Retail Careers

Patricia Dunton

Director, School of Retailing, Sir George Williams College
Montreal, Quebec, Canada

MONTREAL has a successful school of retailing. Early in 1953, representatives of seven large stores in Montreal met to discuss the possibility of establishing a school of retailing in the city. The need was great. Canada seemed to be far behind the United States in recognizing the importance of distributive education in the retail field. We had one school in the country, Ryerson Institute of Technology in Toronto, and this school could not possibly serve the whole retail trade. So it was felt that Montreal should be next.

The chairman of the Stores' Committee approached the principal of Sir George Williams College, Dr. Kenneth E. Norris, with their suggestion, which was approved by the governors of the college. Arrangements were made with the seven stores to subsidize the venture financially until it became self-supporting. (Only two years of subsidization were necessary.)

Organization of the Course

An Education Committee was formed to set up the course. The committee was composed of representatives of the training departments of the seven stores and members of the Sir George Williams College staff. This committee made an exhaustive study of the curricula of various schools of retailing in the United States, and Ryerson's in Toronto. There was plenty of material to draw from and much use was made of it.

A director of the school was appointed in July, 1953, by the principal of the college, and her main duties were laid out as follows:

1. To act as liaison with the college and the stores in arranging for lecturers and field work.
2. To supply the students with individual counselling and personality development.
3. To teach one subject.
4. To keep up with all the trends in merchandising, credit, and retailing methods.

The course is from September to May. Applicants must have at least high school learning and be 17 years of age. After an extensive interview with the director, each application is given very careful consideration. Applications were accepted and the first class (fourteen boys and four girls) started in September, 1953. We have had a bigger registration in each subsequent year.

As it was felt that the students should receive as much practical work as possible, arrangements were made with the stores for three days of work each week, and all of the month of December. (Pay is at the uniform rate for junior staff.) This practical work is organized so that the students can spend some time working in the selling, as well as the nonselling, departments, such as advertising, display, credit and collections, adjustment, personnel, traffic and receiving, etc.

Three days each week are spent in the classroom, with the morning courses devoted to store organization, retailing principles, product knowledge, and salesmanship. The lecturers in these courses are drawn entirely from the stores, except product knowledge, where a great many manufacturers come in to tell the students of their own products. One can see that from this arrangement the students receive the benefit of many years' experience in the business world. The afternoon courses are more academic and include retail and business arithmetic, economics, as applied to the Canadian retail field, public speaking, French conversation (most important in Montreal), and report and business letter writing. The lecturers for these courses are provided by the college staff.

Our public speaking teacher is a former fashion buyer, now doing public relations work, and our French conversation instructress is credit manager of a large furniture store in Montreal. Lectures on retail credit are given by the credit managers, assistant controllers, and controllers of the large stores. Each year an evening visit to the Credit Bureau of Montreal is arranged, and the students are made aware of the credit information available to all businesses.

There is no doubt that the course holds a great deal of interest for young people coming out of high school, young people who do not quite know where their interest lies. Retailing provides unusual chances for advancement; the number of activities necessary to carry on the work of the essential and gigantic business of retail merchandising provides young men and women with a wide variety of opportunities to use their skills, abilities, and interests. It is also a field where they are constantly encouraged to express their talents, and there is an endless demand for more talent.

Success of Graduates

And now you may ask, What has become of some of our graduates? It must be remembered that the first class graduated less than three years ago. One of the boys is billing supervisor of a large Montreal department store; several are assistant managers of departments; some of the girls have gone into personnel field, fashion co-ordination, advertising; and many are assistants in merchandising departments.

As credit is an important part of retailing, what better place for young people to start than in a store? Much thought should be given by credit associations in helping to promote and sponsor retailing courses. This is an opportunity to interest the new generation in credit. Sir George Williams School of Retailing is a splendid example of how business and education can cooperate to provide an opportunity for the high school graduates of today. ★★★

The Credit Bureau of Montreal Ltd.

Albert Calvert

Manager, Credit Bureau of Montreal, Montreal, Quebec, Canada

Bert Harding

Manager, Reporting Department



IN 1928 a group of credit managers of the leading stores in Montreal met and decided that the city should have the facilities of a credit bureau to serve their mutual needs. They first approached the Better Business Bureau to set up the credit bureau as a division of that organization. After discussion, it was agreed that a separate corporation should be formed and the capital subscribed from the retail establishments of the city. The charter was obtained and the Credit Bureau of Montreal, Ltd., came into being with John Hendry, then credit manager of James A. Ogilvy's, Ltd., as its first president, a position he held for seven years.

The complexities of merchant ownership and part-time management posed numerous problems during this period. In January, 1945, it was decided that capable individual management would be the best solution to the problem and Don Smith, then credit manager of Henry Morgan Company, resigned his position and purchased the stock of the company and began operation as the owner and manager of the bureau Feb. 1, 1945, with a staff of 10 employees and approximately 125,000 files.

At that time, another firm, known as The Credit Guide, Ltd., and originated in 1933 by the late Theo. Beausoleil, was also serving many of the stores and financial institutions in the city. As this setup, with a split set of files, was not to the best interests of the credit granters, proposals were made to merge the two into one central bureau. With the consummation of this in May, 1945, the bureau had 28 employees and 350,000 files concentrated in one central bureau.

Following the death of Don Smith in February, 1954, Theo. Beausoleil decided that the bureau needed more capital to meet the demands for expansion plus insurance of its perpetuation under capable management. Accordingly he negotiated with The Credit Bureau, Inc., of Atlanta, Ga., operators of 21 bureaus in the United States, for the sale of the bureau July 1, 1954.

Under the new management many new operating practices were introduced and in January, 1955, the bureau moved to its present quarters of 8,300 square feet of space in the new Gordon Brown Building. At that time, a complete new telephone system was installed, an adaptation of the 101A key system, the first of its kind in Canada. The new facilities contributed marked improvement in file-reading service with a group of approximately 15 girls devoting full time to reading files back to customers direct without any delay in calling back.

The bureau has an estimated 1,600,000 files in its master files plus an additional 400,000 names in the central loan file. The central loan file covers the operations of virtually all of the firms dealing in small loans in Montreal.

The Charge-Plate service, although owned by the interested stores, is domiciled in separate quarters on the bureau premises and supervised by the bureau manage-

ment. The Credit Women's Breakfast Club and the Credit Grantors Association also make the bureau their headquarters. The operation of the bureau is broken down into five departments, each headed by a department manager who reports to the manager, Albert D. Calvert. The reporting department, which is the largest, supervises the written and verbal reports and file reading as well as the trade section which clears all trade references. This department cleared over 225,000 file checks and 125,000 written reports in 1956 in addition to other verbal and miscellaneous services.

The correspondent department handles all out-of-town business over a widespread territory in the Province of Quebec. The province consists of 594,434 square miles with a population of 4,000,000. There are relatively few bureaus in the province and much of the remote territory is handled from Montreal. This department, consisting of 10 people, cleared approximately 50,000 written reports in 1956.

The collection department occupies separate space within the bureau and has full collection facilities available. The sales and service department covers the sales as well as the service aspects of the bureau aside from reporting. Two men devote full time to sales activities in addition to the efforts of the bureau manager and others in lesser amounts.

The over-all operation of the bureau requires a total of over 100 employees to maintain an efficient service for the customers. We operate a continuing year-round program of file expediting and destroying but despite this have required additional filing space steadily due to the growth of the file material. An example of this is the fact that over 100,000 legal records—charge-offs, delinquent accounts, and other derogatory information—are filed annually.

To assure a standard quality of reporting, each report is checked by an experienced full-time reviewer before it is released to the customer. Errors and omissions are turned back for corrections or further investigation. Records are kept daily of the time required to clear reports and a system operates to avoid delays by getting these up to an assistant manager for any possible action.

Employees work 37 and one-half hours per week and have advantages of group, life insurance, hospitalization insurance and a retirement plan. It is of interest to note that almost all of the employees of the bureau are bilingual due to the need to speak and understand French as well as English. Many customers ask for reports to be written in French and a large percentage of the conversations with both customers and contacts are in French.

From this you can see we have grown; in fact, are still growing and progressing. With all our growth, it is still our aim to serve the customer as efficiently and economically as possible. ★★★

The Montreal Chapter of the Canadian Credit Institute

J. H. Stiles

*Credit Manager, Canadian Allis-Chalmers Limited
Montreal, Quebec, Canada*

THE CANADIAN Credit Institute was founded about 30 years ago by a group of credit men who recognized the need for a course of study especially designed to meet the requirements of men engaged in credit work. With this need in view, a course was established with the Department of University Extension of the University of Toronto and a curriculum was prepared which would supply students with a basic knowledge of accountancy, salesmanship, economics, business English, psychology, commercial law, credits and collections—subjects considered to be essential to provide the fundamental training desired.

Success of the Undertaking

The success of this undertaking is evidenced by the thousands of students who have availed themselves of the course, and by the many graduates who have achieved outstanding success in their careers. As a result, more and more employees are looking upon the Credit Management Degree of the Canadian Credit Institute as the prime requisite in qualifications for a credit executive.

Chapters of the Canadian Credit Institute have been established in several of the principal cities across Canada, with the purpose of promoting the course, assisting the students, and providing a meeting place for the social and educational benefit of persons engaged in administering credits. Any report spotlighting credit activities in the City of Montreal would be remiss if it did not mention the good work of the Montreal Chapter in this regard.

The Montreal Chapter membership is composed of 265 credit people representing the most important wholesale, retail, and manufacturing businesses in the city area in addition to eighty-one students enrolled in the Institute course who have been admitted as members at a nominal fee. To qualify for membership, one must be a registered student in the Institute, or a person who holds a degree in the Institute, or a recognized financial executive, or a credit man duly accredited and verified as such by his employer.

Regular dinner meetings are held once a month except during the summer season. The dinner programme always features a talk by some well-known speaker on a topic of general interest or of special concern to the credit profession. Little Chapter business is brought up at the dinner meetings as all business possible is transacted at special executive meetings held every month throughout the year. Every effort is made to create an atmosphere that will induce the members to mingle and become better acquainted. Several social functions are planned each year in which the members' wives are invited to participate. The intrinsic value of these meetings is the opportunity it gives credit men for the exchange of ideas and the assimilation of information pertaining to problems in the credit field which would otherwise be unobtainable. This value is attested by the excellent attendance of the members and the staunch support given by their firms.

Free Assistance to Students

Perhaps the most important function of the Chapter, however, is its service in the field of credit education, one form of which is the free assistance given student members enrolled in the Canadian Credit Institute course. Competent instructors have set aside the time to lecture regularly on the various subjects. These lectures are followed by question-and-answer periods which provide the student with a ready explanation for any of his problems. Periodically, arrangements are made for the students as a group to visit one of the larger firms to enable them to observe at first hand the work of a well-organized credit department and to receive a completely detailed "on the spot" interpretation of its operations. These visits are an innovation this year, but already they have proved to be very popular, and undoubtedly they are an important supplement to the student's education.

The Credit Granters' Association of Canada is associated with the Canadian Credit Institute in providing students for the courses. ★★★

Consumer Instalment Loan Business in Canada

Families are frequently faced with emergencies requiring ready cash (illness, accidents, repair bills for cars or homes, etc.), or they might also have several outstanding bills on which they find it necessary to reduce payments to one easy instalment.

The purpose of consumer instalment loan companies is not to move goods from plants to dealers or merchants, and from them to purchasers at retail. They lend money to people with nonbankable security, holding chattel mortgages on cars, trucks, furniture, or business equipment. They also lend on signature note basis.

Our legal rates are governed by federal law which sets a maximum of 2 per cent per month on the declining

balance up to \$300, 1 per cent per month on the declining balance from \$301 to \$1,000, ½ per cent per month on the declining balance from \$1,001 to \$1,500. These rates are among the lowest in the world.

Available statistics for the year 1955 showed that balances outstanding on books of consumer loan companies in Canada approached 300 million dollars.

Niagara Finance, our company, is an all-Canadian company operating 116 branches from coast to coast, and is a wholly owned subsidiary of Industrial Acceptance Corporation, the largest all-Canadian Sales Finance company.—G. Tremblay, Branch Manager, Niagara Finance Company Limited, Montreal, Canada.



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History of the

Credit Women's Breakfast Club of Montreal

A. G. Harding

**Secretary, Credit Granters' Association of Montreal
Montreal, Quebec, Canada**

IN THE FALL of 1946, the late Don Smith, of the Credit Bureau of Montreal, had just returned from a conference where he had attended a meeting of a unit of the Credit Women's Breakfast Clubs. He was so impressed that he immediately obtained the cooperation of other credit executives and arranged a meeting of the senior girls in the credit departments. First meeting was held in Murray's Restaurant, October, 1946, and Mrs. Mary Gardner of Henry Morgan & Co. was elected president. Membership at that time was fourteen.

In September, 1947, representatives of the C.W.B.C. of Ottawa came to Montreal and installed the officers and directors, thus giving official recognition to the Club in Canada. Successive meetings were held and by October, 1947, the Club was so well organized that its members were asked to be the official hostesses for the Dominion Retail Credit Conference and were officially recognized for a job well done.

Mary Gardner served as president from October, 1946, until December, 1948, and with her executives laid the foundation for a Club that we are very proud of. Many of the officers of that time are now past presidents of the Club and serve on the Advisory Board. Mary presided at our First Bosses' Night.

In January, 1949, Doris Sauer of Henry Morgan & Co. was elected President, and in January, 1950, she was asked to serve a second term. Doris was the first official delegate to represent the C.W.B.C. of Mtl. at a Conference. This was at Windsor, Ontario, in 1951. Other delegates from Montreal were Mary Coleman and Mrs. Vera Morrison, both of whom are now past presidents. In 1953, Doris served on the award committee for District 1. She is now secretary to the president of District 1 and also vice president of the Credit Granters' Association of Montreal.

January, 1951, Bernice Tison, M.C.I., of McColl Frontenac Oil Co., Ltd., was elected president, and under Bernice's guidance a public speaking class was formed which proved so successful that a debating team was eventually organized, which on May 8, 1951, debated before 250 of their bosses and guests. Subject: "Resolved, That Credit Has Improved the Living Conditions of the Worker." The debate was successful and the team was asked to present it on Nov. 14, 1951, at the Canadian Credit Institute, an all-male audience of 300. Bernice was responsible for All French Night,

which has also proved successful and is still observed each year. That night the entire meeting, including the speech, is conducted in French.

November, 1951, Mary Coleman of Henry Birks & Sons was elected president. Under Mary's guidance the Club established the custom that each member bring a gift to the Christmas meeting to be distributed to the underprivileged as Christmas presents. It was during Mary's term that we joined the C.W.B.C. of N.A. and became the first Canadian Breakfast Club in District 1. It was while Mary was president that our benevolent fund was started. That year we had our first fashion show, known as "Fashion and Flowers for 1952," which realized a net profit of \$900.00.

October, 1952, Mrs. Vera Morrison of The Robert Simpson Montreal, Ltd., was installed as president, and under her direction a Summer Camp was organized for underprivileged children, 24 boys enjoying a two weeks' vacation with all expenses paid by the Club. Vera was our first delegate to District 1 meeting held in Boston, Jan. 18, 1953. She also presided over the first Past President Breakfast (there were now four). This is now an annual event, second Tuesday of March, at 7:30 A.M. In June, 1953, Vera was asked to serve on the Bulletin Award Committee of the Conference taking place at New Orleans.

June, 1953, Flore Chagnon of Willis & Company was installed as president, but had to resign shortly afterward due to illness. In October, 1953, Vera Morrison was appointed by the executive committee to serve as president for 1953-54. During her term a permanent bursary of \$25.00 was given to the Canadian Credit Institute for the student with the highest marks in the retail credit course. Vera is now president of District 1.

June 8, 1954, Edna Johnson of Henry Morgan & Co. was installed as president. Edna formed the first Budget Committee and furthered our activities in benevolent work, fashion show, and had first Christmas party at Montreal Mission for underprivileged children.

In May, 1955, Mrs. Lucette McLellan of National Collection Bureau was installed as president and was our official delegate to the Conference at Louisville; she attended all District 1 executive meetings.

May, 1956, Jeanne d'Arc Roy of N. G. Valiquette was installed as president; she attended the Conference at St. Louis as our delegate. Unfortunately, she was

THE 43RD ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

FONTAINEBLEAU HOTEL, MIAMI BEACH, FLORIDA, JUNE 16-20, 1957

National Retail Credit Association

Credit Women's Breakfast Clubs of North America • Associated Credit Bureaus of America

Who Are You?

J. F. LACROIX

Credit Manager, J. L. Fortin, Ltd.
Trois-Rivieres, Quebec

READ THROUGH any trade magazine or credit publication today and you are sure to find an article on public relations. Stores, finance companies, business firms are all aware of this all-important aspect of their business, and most of them are doing something to improve their relations with their customers and the public in general.

Credit managers rightfully spend a good deal of their time and efforts toward improving their services to customers and making them known to the public by new-accounts solicitation, advertising, attractive credit terms, etc. etc. That is all very well, but what about *employee relations*? Can we say that we are not inclined to neglect relations between our salespeople and our credit departments?

Who are you to the salesman in the appliance department? Are you the man sitting back in his office, turning down the account after he has spent 1½ hours with his customer working on a \$600.00 sale?

Who are you to the saleslady in the fur department? Are you that guy, unknown to her, who for no apparent reason is holding delivery on that coat which the customer expected to take with her? Then turn around three days later and say delivery can now be made?

Who are you? What is the credit department? What is done in there and why? Are all those questions left unanswered in the minds of the people working at the counters down in your store?

Most of us will agree that we are not doing enough along the line of *employee relations*! Oh! Sure! Every time there is a change of policy, or of credit terms, we send notices around advising our salespeople of such changes and so on. But that is far from enough!!!

In our store we arrange meetings with our employees every five or six months for the definite purpose of discussing credit matters with them. Salespeople are gathered in small groups of not more than 25 to 30. The atmosphere at these gatherings is quite informal: coffee, cigarettes are distributed. The credit manager speaks for a few minutes on credit service generally and if necessary elaborates on changes to be made, or improvements

forced to resign in August, 1956, under doctor's orders. In September, 1956, Mrs. Eleanor Duncan of The Robert Simpson Mtl., Ltd., was appointed by the executive committee to serve as president for 1956-57. Eleanor is now attending district meetings and is busy making preparations for "Fashions and Flowers for 1957."

We are very fortunate in Montreal in that our employers are supporting us 100 per cent in our activities, have taken a great interest in our work, and recognize the value of our Club's educational program. More and more do we see evidence of the important place that the credit women are taking in the retail field. There is no better example than right here in our Montreal Club where most of our members are recognized by their employers as having a thorough knowledge of their work

Opening a new store?

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ments that are expected, etc. etc.

It is a good opportunity to show the employees a few actual cases of rejected accounts, giving them all the pertinent facts about those cases. Show the salespeople the reasons why!

Sell them the credit department. Make them see the numerous advantages *they* can find in credit selling. Some time ago I read an article urging the credit managers to sell themselves to management, and I think it just as important and more profitable to make that same sale the other way: "to your employees."

If people in your store know you, know your department, and know what you do for them and how, then you are sure of their cooperation. *Give them the answers and they will give you results.* ★★★

in the credit department and consequently hold top positions.

To date we have raised over \$6,000.00 (principally from "Fashions & Flowers") and all this money has been used for benevolent purposes, through substantial contributions to charity, and by sponsoring summer camps for the underprivileged as well as Christmas gifts to the needy.

We extend a hearty invitation to all breakfast clubbers and others in the credit field to pay us a visit when in Montreal. On the second Tuesday of every month, October till May, you will be welcome at our meeting held in the Blue Room at the Ritz-Carlton Hotel. Special invitation is extended to have breakfast 7:30 A.M. second Tuesday any March, or drop in at Bosses' Night second Tuesday any May. ★★★

Montreal, Known as "Ville Marie"

Maxwell Ford

THE AVERAGE tourist visiting Montreal believes that a quick trip around the city as offered by a sight-seeing tour will give him all that he should see in the short space of time he is prepared to devote to that pastime. In the space of two hours he is shown the stately homes of Westmount and Outremont; the excellent harbour facilities of the greatest inland port on the North American Continent; the second largest warehouse in Canada; the Quebec Liquor Commission Store; yes, he is even erroneously shown the high-water mark on a stone wall at the harbour which marked the worst flood in the annals of Montreal history. Actually it is the place where the Harbour Commission piles the snow in wintertime, but that means little to the spieler who is paid for telling a good story. He even caps this by telling American tourists that the cannon in Dominion Square were captured from the "patriots" at Bunker Hill. Nothing could be bunker, if you will excuse the pun, for these cannon were taken from the Russians at Sevastopol during the Crimean War.

Actually, one should come prepared to spend at least a week just browsing around, following on foot the history of Montreal (or Ville Marie as it was called) as it strode from the waterfront, east along St-Paul, up St-Sulpice, west along Notre Dame and St-James, until finally it stepped over the stone wall built to keep out the savage Iroquois, and gathered in the surrounding country. Here in this area lived heroes and saints; brilliant warriors, and plain stout fighting men; humble tillers of the soil; discoverers and founders of great empires and cities; knaves, murderers, and thieves; and along with it all a great leavening of womanhood whose endurance of privation, hunger, cold, disease, and horror would tax the courage of the bravest man today. For this is Ville Marie, a missionary outpost dedicated to the Virgin Mary, but later becoming the rock upon which the fury of the Iroquois onslaught against the Colony of New France was shattered. And so we must tread lightly, this is hallowed ground, for where we walk there walked Jeanne Mance, Marguerite de Bourgeois, Madame de Bouillon, Maisonneuve, Dollier de Casson, Pierre le Moyne d'Iberville, Dollard des Ormeaux, and a host of others who made Ville Marie great—and if we listen carefully we can hear the peculiar whine of Lamber Clossé's dog Pilot who not only warned the early colonists of the presence of Iroquois, but taught her pups to do the same.

Perhaps you would like to accompany me on a trip through the Montreal of the early days of the Colony.

We shall have to tread warily because the narrow streets are nothing but mud and quagmires. We may have to step over the drunken savages who lie in the filth of the streets; we may have to step suddenly into a doorway to give way to a gang of roistering *coureurs de bois*, for this is the end of the road for furs and fire water; and above all we must be back in our lodgings before dark, for only a fool, or someone with business which could not wait, would be found on the streets after dark. Montreal did not have street lights until 1819.

Down by the river front near where Bonsecour Church now stands marks the landing place of Jacques Cartier, the discoverer of Montreal. What a marvellous sight greeted his eyes as, with the forests aflame in autumn colours, he first gazed upon the mountain which he called Mount Royal—truly a royal mountain which gave Montreal its name. Unable to go farther up the river because of its strong current (St-Mary's), Cartier disembarked and followed a well-defined path which led him across what is now Victoria Square (named after Queen Victoria), up Beaver Hall Hill (so named because Frobisher of the North West Company had a home called Beaver Hall), until he reached an area just south of McGill University campus where he found the triple-palisaded Indian Village of Hochelaga, reputed to be the capital of the chief tribe of the St. Lawrence Valley. Legend has it that Hiawatha originated from this Village of Hochelaga. Here Jacques Cartier and his men were treated as gods—Cartier himself being asked to lay his hands on the ailing chief that he might be cured. After a short sojourn in which many pipes of peace were smoked, Jacques Cartier and his men departed for Quebec, and Hochelaga faded from the picture, for no trace of it was to be found when Champlain visited the site in 1603. We do know of its existence, however, for excavations have dug up artifacts and relics which are to be found in the Chateau de Ramesay.

Hardships During First Winter

In May, 1642, Paul de Chomedey de Maisonneuve and a band of some sixty-odd persons including Jeanne Mance and Governor de Montmagny landed on the Island at a pleasant spot which is now the junction of Common and Commissioners Streets, and there constructed out of logs a fort and houses. In December a flood threatened to overwhelm the little settlement, and Maisonneuve made a vow that if the flood waters would subside, he would carry a cross up to the top of Mount Royal and there erect it. The waters receded rapidly

and, true to his vow, Maisonneuve placed the cross near where the present cross now stands. Flood waters were not the only hardship which the colonists had to endure that winter, for cruel blizzards piled the snows up to the eaves, and Jeanne Mance records that she could not open the door in the morning until she had shoveled away two to three feet of snow which had sifted in.

But in spite of hardships, famines, and massacres, Ville Marie grew until the little stockade which had been erected became too small and a new wall of stone was built to protect the Town planned by Dollier de Casson. First he laid out St-Paul Street, named after Paul de Chomedy. Here were to be found the homes of the fur traders, who used the street floor as a warehouse and the upper floor as living quarters. The houses at first were constructed of wood, the only stone construction being the fort and the Hôtel Dieu Hospital. After a disastrous fire which all but wiped out the Town, an ordinance was passed forcing everyone to construct entirely of field-stone with a firewall at each end, and the roof covered with tin. The chimneys had to be swept once a month, under heavy penalty for nonobservance. The writer had an opportunity to see the wisdom of this ordinance, for an old stone house of this construction burned near where he has his residence in Boucherville. All that one could see of the fire was the flicker of the flames through the windows. Suddenly there was an explosion which shattered the windows, and smoke poured out followed by a greater illumination, then after a while the roof fell in with a great crash, smothering the flames. There was no water in Montreal with which to fight a fire at that time, as everyone drew water from the Gadois Well (dug to a depth of fifty feet on Place d'Armes), and no bucket brigade could have had any effect. It was not until the British regime that a water system was introduced, and the original wooden pipes may be seen to this day in the Chateau de Ramesay.

From St-Paul Street the houses spread along Notre Dame Street, and soon a new street was required to accommodate the rapidly growing Montreal. This was called St-James after the founder of the Sulpician Order which held the Seignory of Montreal. Wealthy merchants left their old homes on St-Paul to be used as warehouses and moved into finer quarters on these two new streets. On the street side the windows were heavily shuttered, but in the rear were to be found gardens filled with exotic flowers, plants, and fruits.

Many Old Buildings Still Standing

Many of these old buildings exist to this day. True they are shoddy, rat infested, and good only for warehouses and stores, but if one is romantic enough to see past their grime, one can easily conjure up the children of Le Moyne playing in the streets; hear the tramp of the Carignan-Salières Regiment as it went through the Recollet Gate on its punitive expeditions against the savages; or tread a gay measure at the Balls held in the Chateau de Ramesay. Here, at least, is a home which has been restored to its old elegance. When visiting Montreal it is a "must." Not only does it store some of the treasures of New France, but it also stands as a memorial to those who played such a magnificent part in Montreal's hectic history.

Collection Costs Cut 50% WITH EFFECTIVE MODERN "POSTAGRAPHS"

Conservative, dignified and impersonal in appearance, Postagraphs economically combine the letter and envelope. They are mailed third class, saving up to 50% on postage. Yet, they have the desired privacy and appearance of a first class letter. They're delivered to you custom printed, folded, sealed—ready for addressing.

OFFER 7 ADVANTAGES:

Postagraphs exclusive combination design eliminates multigraphing, folding, stuffing, sealing, letterhead and envelope costs.

EFFECTIVELY USED BY

LEADING DEPARTMENT STORES, SPECIALTY STORES...AND WHEREVER CONSUMER CREDIT IS IN OPERATION.

SEND SAMPLE OF YOUR COLLECTION LETTER

We'll prepare it Postagraph style and submit it with price list. No cost or obligation. No salesman will call.

POSTAGRAPH CO.

506 E. Lombard Street • Baltimore 2, Md.

Beginnings. Indian Village of Hochelaga had its winter quarters near where the McGill University campus stands, and its summer quarters in Westmount near the City Hall. Champlain set up a trading post in 1611, and incurred the enmity of the Iroquois by shooting three of their chiefs near Ticonderoga. Permanent settlement established by Maisonneuve in 1642.

First Settlement (1642-1666). This was protected by a wooden fort called Ville Marie and the homes of the settlers extended along the river front. The cattle grazed in common between the houses and the river, giving the name "Common" to the street which occupies that site now. The settlers were under constant attack from the Iroquois and had to run to the fort for protection. Life was most hazardous in those days. It was not until the arrival of the Carignan-Salières Regiment in 1666 that the little settlement was able to draw a peaceful breath. Upon the disbanding of the regiments many of the officers remained in Canada and gave their names either to streets in Montreal or forts along the St. Lawrence River—Lagauchetière, Varennes, Verchères, Contrecoeur, Sorel, Chambly, etc.

Village Period (1666-1701). Houses now extended along St-Paul Street and Notre Dame, the whole surrounded and protected by a wooden palisade, about one-seventh of a square mile. Inhabitants were terror-stricken by a sudden wave of massacres at Lachine, Lachenaie, and Point-aux-Tremble. Perimeter forts were built at Senneville and Boucherville to protect the Colony. Final peace treaty was signed with the Iroquois at Montreal in 1701.

Town Period (1701-1760). Stone ramparts 18 feet high now surrounded the Town. King Beaver reigned supreme and trade with the Indians was very active. Montreal surrendered by Vaudreuil to Amherst in 1760 after Levis had burned all the battle flags on St. Helens' Island. Amherst entered by the Recollet Gate, at the corner of McGill and Notre Dame Street.

Montreal Under the British. Postal service was established by Benjamin Franklin—letters carried by courier to Boston for one shilling. Magistrate Walker had his ear cut off because he refused to allow the garrison troops to enter the taverns. Montreal was captured by Montgomery in 1775 and Chateau de Ramesay was occupied for seven months. First printing press was established in Montreal by Fleury Mesplet (now the *Montreal Gazette*). Fur trade was rampant with the North West Company establishing its headquarters on St-Paul Street. John Jacob Astor established a fur trading branch in Montreal. Campaign against Montreal by Americans in 1813 turned back at Chateaugay and Chryslers Farm. General Hull and captured American troops from Detroit passed through the Recollet Gates. Streets were lighted by gas light; a police force was established; the Bank of Montreal was founded; and the first wharf was built by John Molson.

Chateau de Ramesay. Notre Dame Street East near Jacques Cartier Square. Historical museum.

Bonsecour Church. St-Paul Street, corner of Bonsecour. Founded by Marguerite de Bourgeois; known as the Sailors' Church.

Rasco's Hotel. 281-295 St-Paul Street east of St. Lawrence Blvd. Charles Dickens stayed here. The name of the hotel can still be seen painted on the walls.

Joe Beef's Tavern. Commissioners Street near Common Street. Owned by a notorious character called Joe Beef who led the procession coming back from his wife's funeral with a military band playing "The Girl I Left Behind Me."

Place d'Armes. Notre Dame Street, St-James Street, and St-Sulpice. The actual spot where Maisonneuve slew the Iroquois chief.

Notre Dame Church. Place d'Armes. Patterned after Notre Dame de Paris. It is noted for its colossal altar, its wood carvings, its stained-glass windows, beautiful paintings, its excellent museum, its organ, and its huge bell called the "Gros Bourdon," weighing 24,780 pounds.

Place Youville. Site of Fort Ville Marie. Here was also constructed a stone fort by Governor Callières. Near 310 Youville Square is the site of The Community of the Grey Nuns founded by Madame Youville. The Grey Nunnery moved to the corner of Dorchester and Guy Streets. At this corner, in 1792, took place the last public execution.

The Towers. Sherbrooke Street at the top of Tower and Fort Streets. All that remains of the Mountain Mission are two towers, in one of which Marguerite de Bourgeois taught the Indians. Here originated the famous Canadian apple known as the "Fameuse."

And so, as they say in the travelogues, "It is with great regret that we say good-bye to the settlement of Ville Marie, and head our canoes for the western trapping grounds, singing as we dip our paddles that *Canadian Boat Song* made famous by Thomas Moore. *Au revoir*, Montreal, we'll be back soon, and we hope you will too." ★★★

How to Expand Business Today

WHAT CAN a retail merchant do to expand his business? I can only tell what happened in our two stores, in East Lake and Five Points South.

Three years ago we put in a credit department. We found that we could make pretty good decisions on cases where a customer sought credit, if we checked with the Merchants Credit Association on the customer's history and financial ability to pay. Furthermore, we can say this: Every time we have made a judgment as to the value of a new customer's credit account, it was a correct judgment when we based it on the information we obtained from the Merchants Credit Association.

On the other hand, whenever we have made a decision as to whether to extend credit, without checking with MCA, the customer turned out to be a poor account more often than a good account.

Since putting in a credit department, our gross sales have continued to grow at both stores. We also found other aids to promoting the growth of our business.

We believe in promotions, advertising and good display of merchandise.

We put on a promotion by which we give a coupon with each pair of shoes purchased. Fifteen coupons entitle the holder to a free pair of shoes, the price of which depends on the average price of the shoes he has pur-

chased in the past. We believe the best promotion in shoes is good merchandise correctly fitted by professional shoe fitters.

The Merchants Credit Association gives us a good starting point in handling a new credit account. The control of how much credit is given an individual is up to us. A decision on the limit of credit extended to an individual and whether he can pay with regularity also is up to us.

But in retrospect, we can frankly state that opening a credit department has helped out business over a period of the past three years. Instalment debt today has reached around 15 per cent of all disposable income nationally, according to a report from the American Institute of Management.

Credit men throughout the nation have a grave responsibility to limit credit and direct and advise the managements of business concerns and their customers against overbuying or overselling. If such a policy could be followed, it would result in a steady and continued growth of business prosperity without the ups and downs or booms and busts in our economy, and those ups and downs are things that the Federal Reserve Board and business in general want to avoid.—Robert P. Thompson, *Executive Vice President*, Thompson's Bootery, Birmingham, Alabama.

Educating the Credit Customer

CHARACTER

Character, Capacity and Capital are the three standards by which retailers judge applicants for credit—and Character comes first!

Use your credit freely and pay all bills as agreed.



IT'S NICE TO BE
ABLE TO SAY...

"Charge It"

Shopping is a lot more convenient, more pleasant, if you have a charge account. You don't have to cash a check before you start shopping, or carry a lot of money. You don't have to pass up an unexpected bargain or go home disappointed because you lacked the money to buy something you wanted particularly.

If you enjoy the reputation of paying bills promptly, all you have to say is "Charge It."

PUBLISHER NOTE CAREFULLY: This space is for Local Association signature to be set by you.



*"More than all
THE GOLD MINES
in the world!"*

"CREDIT" said Daniel Webster, "has done a thousand times more to enrich mankind than all the Gold Mines in the World."

Use it wisely

The modern shopper says:

"Charge It"

Realizing the value of credit, current income is used to meet current expenditures.

That is why the modern shopper says "Charge It" and pays all bills promptly.

PUBLISHER NOTE CAREFULLY: This space is for Local Association signature to be set by you.



AT THE request of several associations, four additional consumer ads were designed to supplement our 1956 series. They are different and are for pub-

licity prior to, during and following National Retail Credit Week, April 28 to May 4, 1957.

Size, 5 3/4" x 8 7/8". Price is \$3.00 per mat.

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI

CREDIT WORLD 13
MARCH 1957

Automation in the Credit Office

Elmer E. Christy

Credit Manager, Boggs & Buhl, Pittsburgh, Pennsylvania

RETAILERS are about to witness the most revolutionary change in retail accounting yet introduced to the trade. A new electronic system for department stores, designed to furnish automatic daily reports for sales audit, unit control and accounts receivable, marks the greatest step yet taken toward the idea of fully automatic retail accounting. Those of us who have had experience in preparing a weekly or semi-weekly departmental stock report, or "open to buy," know what a time-consuming, frustrating ordeal it is to arrive at a reasonably accurate total dollar merchandise liability with estimated figures. It is frustrating because of the many variations between the reports prepared from estimated figures and the ones prepared from audited totals. With the use of electronic equipment, now available, audited net sales are available the next day for the preparation of these all-important merchandising figures. Not only are these stock, unit control, and open-to-buy figures quickly available in total dollars, but as a result of this new concept, they will also be available by classification, color, size, etc. This information is vital to top management in doing a good merchandising job.

You might be asking yourself what all this has to do with automation in the credit office. From what I have been able to learn, any application of electronics to accounts receivable will be an offspring of a system set up primarily to furnish merchandising and general accounting data.

The system employs a Point O'Sale Recorder which has been tested with good results in a leading West Coast department store. This recorder is a numerical input device. In addition to producing the sales receipt, it records every entry into a continuous paper tape, which in turn becomes the basis for automatic processing by an electronic computer to produce daily reports. The recorder consists of three units: a tag reader, a keyboard, and a tape perforator. All three units are interconnected by cables. The tag reader automatically senses information from a perforated merchandise tag (either Kimbal or Dennison), transfers these facts to a continuous perforated paper tape; at the same time it automatically prints price, department, and classification figures on a sales receipt and enters the price figure into an accumulator to print an adding-machine total to the sales receipt. In the case of a charge sale, the sales check is inserted into a slot in the keyboard unit. The account number, date, register number, class number, and amount are automatically entered on the sales check, via the reader. The department and clerk numbers are manually entered in the keyboard by the salesclerk and are immediately entered in their proper places on the sales check. The keyboard is a ten-key adding machine, including special keys for recording tax and extra fee amounts.

Basically, this is how the system works: when a salesperson makes a sale, he steps to the nearest recorder and inserts the perforated price tag into the reader for each

piece of merchandise sold. This action automatically records the price, class color, and other particulars of each item on the paper tape. The clerk then enters the tax amounts and any additional charges such as alterations or delivery, by means of the digital keyboard. In the case of nontagged merchandise, of course, the information is entered manually on the keyboard. The machine automatically computes and prints the total transaction in the form of a printed sales slip, and simultaneously records this information on the punched paper tape. Charges are recorded by entering the customer's account number, either manually on the keyboard or through the use of a special customer's token which can be read into the machine in the same manner as the price tag. The account-number plate seems to be the basic tool of an automatic charge-account system. Since it is impractical to insist on customers' carrying their account-number plates to any greater extent than their Charge-plates or purchase coins, provision must be made for handling these exceptions. The preferable way to handle such transactions is immediately at the point of sale. The clerk would telephone the central office where an alphabetical cross-index file would be maintained of all accounts, and get the account number. She would then make the manual entry in the digital keyboard. Of course, all such entries are subject to human error such as transpositions, etc.

According to present plans, this automatic system of handling accounts receivable does not provide for the mailing of media to the customer, as is now commonly practiced with cycle billing. The charge payment slips, charge credits, and other debit-and-credit media would be transmitted to the storage drum via a typewriter input device. The accounts receivable cashier would work with this equipment, transmitting the account number and amount into the memory drum. In the event the customer failed to bring the statement on which the account number would be printed, or plate with number, the cashier would then call the central office where it would be looked up in the master alphabetical file. The cash slip itself would be filed in an appropriate place for future reference. The account numbers would be looked up on all charge credits and all miscellaneous media so the desired information could be transmitted to the memory drum via the same device. Differentiation between cash credits and other credits on the finished statement could be made by the automatic printing of symbols beside the amounts.

In making up the monthly statements, such information as name, address, account number, date of sale; Point O'Sale Recorder machine number; department number; and merchandise class number will all be listed thereon. While the statement will furnish a complete listing of all postings dollarwise, no description of the merchandise will appear opposite the individual amounts, and the media will not be attached. This lack of information may or may not pose a problem, but it is worth

some consideration. To get ready for billing, there would be a consolidation of name, address, and account number from a magnetic master tape, and the pertinent data pertaining to each account from the memory drum directly printed on the statements on an "On Line Printer" which would produce finished statements at the rate of 2,000 per hour. For example, in a store mailing 100,000 statements per month, the entire job could be done in about two hours per day. Special itemized statements are a by-product of the monthly tapes from which the regular bills are prepared. The machine provides automatically for the speedy location of the desired information and quickly prints up a duplicate statement for any given month. The description of all items can readily be obtained from the original charge checks, payment slips, etc., which are stored in the media file.

Another important phase to be considered in relation to automation in the credit office is authorizing. At this point, equipment is available to handle authorizing automatically direct from the selling floor. Each account would be assigned a credit limit, which would be recorded in the storage or memory drum. An account-number inquiry system employing a typewriter style or tag reader device would give an instantaneous yes-or-no answer. When the accumulated total in any particular account equals or exceeds the limit, the authorizing device automatically answers "No." The transaction would then have to be handled in the conventional way: the salesclerk would call the central office and the transaction would be handled by a "refer" authorizer in the usual way.

Now for a look at the collection division. Most of us are accustomed to having readily available a record of balances and payments, on a ledger sheet or supplementary card of one kind or another, for varying periods of time. It is from this record we are able to analyze, evaluate, and dun accounts as circumstances require. Since, with the use of electronics, all original postings are made on a paper or magnetized tape and memory storage drum, it will be necessary to devise ways of furnishing our collection people with the necessary information to do their job. At the present time it would appear this record will have to be developed from the finished statements as they are run off each month. So far as I know, no practical, economical, and speedy method has yet been developed to handle this particular phase of a credit installation. However, I am sure the experts in the field of electronics are working on all the problems relating to the credit operation and it would behoove us, as credit executives, to keep up to date on such developments.

How will all these drastic changes in procedures and equipment affect the bill adjuster? From what I have been able to learn, she will not run into too much trouble. The input device used by the credit cashier will be equipped to imprint the account number on the cash payment slip and customer's receipt for all amounts sent to the memory drum. If a payment is misposted to a wrong account because of the use of a wrong number, the payment slip or the customer's receipt will readily furnish that erroneous account number to which the payment has been posted, and a journal transfer can be made electronically that will effect a plus or minus on the accounts.

Write
for plan that opens
used accts. for less
for
BRANCH STORES

Write
for plan that converts
old inactives into active
REVOLVING ACCTS.

*Find out who really gets top
results at lowest final cost*

Write

For proof and Low-Cost Test-Plan! Compare!

29th success-year with Abraham & Straus; Foley's; Jordan Marsh; May Co.; and other top stores, large & small.

For ace Akron store, our unique mdse.-fashion approach opened

11,000 NEW CHARGE ACCTS.

for **50¢** each

3000 New Accts. opened for Goerke's, N. J. bought during the first year alone **\$301,000**

WE REVIVE 50% to 70% INACTIVES

3725 (50%) Inactives in famed Texas store bought within six months, at ½ cost **\$241,000**

LESTER **brozman** COMPANY
160 FIFTH AVENUE, N. Y. C. 10

Thus far I have followed a general outline of the operation of a medium-sized installation. At present, one medium-sized installation has the ability to handle 33 input-output devices. According to estimates available, two inquiry machines would be required in the credit office and perhaps two would be needed in the receiving and work room.

We are not limited to this particular type of installation. There are also available for our use the punched-card equipment for smaller stores and the large-scale electronic systems for the largest stores. The punched-card equipment I just referred to could be put to good use in connection with sales audit division of the smaller stores. Instead of employing key-punch operators to punch all the cards for the tabulating equipment, the cards could be automatically punched with absolute accuracy from the "Point O'Sale" tape. It is an established fact that good key-punch operators are hard to find when badly needed at peak periods, and errors skyrocket. Since most of the required information would be automatically transferred from the price ticket to the tape, such errors as wrong amount, wrong department, wrong clerk, etc., would be practically eliminated.

Of course, we all know these new developments of science and engineering cost money. To give you some idea about that phase of it, I understand one large store in the Midwest is experimenting on installing an electronic system costing about \$2,000,000. On the other hand, I am told there are several smaller installations available that would run from about \$5,000 to about \$35,000. ★★★

What Is the Most Important

In Canada, as in the United States, the tight money policies now in effect by both governments are making it increasingly difficult for the credit man to forecast accurately what will happen in the coming year. At the present time, we in Canada are on a system of credit controls effected by the banks cutting down on the amount of money available for lending to financial and business enterprise. The controls seem to be effective in some manners; however, there has been an increasing mention in our credit papers and newspapers of the government's concern over the general picture of credit with a distinct possibility that stronger methods will be enforced to control the entire credit picture. These controls could be in the form of reduced length of time for contracts, larger down payments, or some other such regulation yet to be devised. The result of these measures now in effect or any future measures introduced will, of course, force a more selective screening of credit risks. When there is only a fixed amount of capital available to loan out, the credit department is forced into being more careful in credit granting, eliminating some of the so-called riskiness of loans. It would seem to me that the major problem for 1957 would be not a person's ability to pay at the time that the credit is taken out, but his ability to pay in a period of three to six months hence. By this I mean that the costs of consumer goods and services are increasing in a larger proportion than are the wages being paid; therefore it is conceivable that a person who in January, 1957, would appear to have sufficient income to meet his commitments, later in the year may be unable to pay due to the additional costs of food, shelter, etc. The answer to this problem would seem to be one of a much more selective credit assessment and granting and a definite policy of making sure that the person applying for credit is not overextended at the time. Also, more particular attention could be paid to the type of employment, income, number of dependents, and station in life. Recently, I had the privilege of attending the Vancouver Board of Trade Forum on economic conditions for the coming year, and at that time the consensus of the panel, made up of four well-known economists both Canadian and American, indicated the boom, which we are now currently enjoying, would continue for the first six months of 1957. There was promising indication that the over-all picture for the year of 1957 was definitely on the bright side; however, we must guard against becoming too optimistic, and I feel that it is up to each credit manager and credit employee to make himself or herself completely familiar with the general and local economic trend and to base the credit granting on interpretations to the trend. Rates for consumer finance companies are, no doubt, going to go up, particularly in the automobile finance field. This will tend to cut down the number of people applying for credit and here again we must definitely be sure that our risk is of the better quality than has been given credit in the past. Collections, of course, will have to be followed up closely in order that the limited amount of capital that is available be returned to the business so that it can again be loaned out to advantage. To sum it all up, I would say that in 1957 we should have a year equally as good as we had in 1956; competition would tend to be a little heavier, particularly in the dealer discount consumer credit field in Canada. I believe with diligent collection effort, collections should be maintained at approximately the same level as in 1956, and by selective credit granting we can look forward to a prosperous year in 1957.—R. W. Weese, Rand Investments, Limited, Vancouver, British Columbia, Canada.

★ ★ ★

There is a great deal of discussion these days with respect to a "tight" money market which will undoubtedly have an effect on credit-granting policies for the coming year. Probably, increased cost of borrowing funds will reflect itself in higher service charges on extended term accounts. There

may also be a tendency to be overcautious. Despite "tight" money, the basic economy of the country is one of marked stability. This should provide us all with confidence to broaden our various types of credit. Thus we can meet the needs of those whose wants can be satisfied on a 30-day account basis, or extended term credit, granted under circumstances which will allow them to meet their obligations.—I. J. Weiner, Secretary-Controller, Craigs, Houston, Texas.

★ ★ ★

Our most important problem is twofold: First, we should use more care than ever before in analyzing and accepting new accounts, being ever watchful for those who are inclined to overextend themselves and need guidance. Second, with most department stores now offering revolving credit in some form or another, we should exert extra effort to keeping those accounts in fluid condition. Daily follow-up of past-due accounts should be aggressive and thorough as well as intelligent and considerate. We should not procrastinate in asking for payment and we should be careful to get our statements out promptly. By meeting these problems, we shall gain the opportunity to accomplish our perpetual goal for our store—increasing our collection percentages, lowering Profit and Loss accounts, and keeping the great majority of our customers always open to buy.—W. H. Willits, Credit Sales Manager, Hale's Bay Area Stores, San Francisco, California.

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One of the most important problems confronting the retailer for the coming year is the credit service charge rate. This has become a problem, due largely to the amazing growth and customer acceptance of the revolving credit account. Increased customer sales, stimulated by the newly created features of flexible limits and chart plans, have resulted in larger outstanding accounts-receivable balances. These added features have had a tendency to increase payroll costs, while the rising rates of financing larger outstanding balances have further increased operational expense. It has been necessary for many firms to increase the monthly service charge rates from one per cent to one and one-half per cent to offset this increase in costs. Every reasonable precaution should be taken to keep informed of the latest developments. Close co-ordination with management, making possible immediate necessary adjustments in accordance with the current situation, is advisable.—Harold F. Cadd, Credit Manager, Ransohoffs, San Francisco, California.

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Looking forward into the year of 1957, I believe that:

1. The year 1957 will be a greater sales year than 1956, perhaps three to five per cent for the year.
2. Each credit manager will have to devise new methods of promoting new accounts to help attain this increase in sales.
3. More stores will go to a form of "revolving credit," not only to obtain additional business, but also to derive the carrying charge which is assessed each month.
4. New applications will be screened more closely—many customers are already loaded to capacity.
5. Larger down payments will be required in many instances on long-term budgets and contracts. There will also be a general trend to shorten the "payout" time, cutting off from six months to a year. At the same time interest charges on long-term financing will be increased.
6. More attention will be given to collection procedures and follow-up to keep accounts in a current condition. More stores will add penalty charges for late payment of charge accounts.

We in Fort Worth are looking forward to a larger and more profitable year in 1957. With the application of good promotion and credit principles, the credit sales manager will have a large part in reaching this goal.—H. H. Clark, Credit Sales Manager, W. C. Stripling Company, Fort Worth, Texas.

Credit Problem For 1957?

The Current Trend Of Credit Thought

Our idealistic goal this year, next year and for years to come, should be constant improvement in the high standards of the American way of life through liberal, yet sensible, extension of credit. Carelessness has no place in our business; too much is at stake. Those of us in credit work probably realize our own importance in the national economy—so, for selfish and profitable reasons, we should do everything to educate other people to that fact.—Bernard J. Duffy, President, Associated Credit Bureaus of America, Executive Vice President, Credit Bureau of St. Paul, St. Paul, Minnesota.

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The year 1957 certainly has the possibilities of an interesting and challenging year for retail credit granters. We approach the new year with record high disposable income and record high consumer debt. Any downward adjustment in income does not mean a like adjustment in consumer debt and could cause serious problems. These problems lie in the area of consumers who are heavily committed on contract payments in relation to income. Included in these contract payments are monthly commitments to "revolving credit" plans. I am sure that we are not fully aware of the impact that this type of credit plan has on our economy—in fact, we may be forced to change our manner of thinking in the extension of retail credit in the future. More and more credit plans are being developed to provide an easier way for the consumer to budget his necessities as well as luxuries; and if this trend continues, it is conceivable that each paycheck would be budgeted to various payments before it is received, with little or nothing left for "spending" money. This method of selling on credit certainly contributes to the mass distribution of goods which, in turn, facilitates mass production and continued high level of employment. Realizing the difficulties that can arise from overselling or overextending a customer on contract payments, it behooves each of us as credit granters to study every application and accompanying credit report a little closer in the coming year to assure ourselves and our customers that each account is on a sound financial basis.—W. G. Francis, Division Credit Manager, The Carter Oil Company, Spokane, Washington.

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New Canadian bank restrictions in credit were probably a move in the right way to avoid inflation, but the credit trade may have to suffer in the collection during the coming year. It was noticed that many customers who used to buy and pay cash have asked for terms during the past months and much too liberal credit terms have been allowed by certain firms. It is my opinion that a very close follow-up on the accounts will have to be maintained more than ever in a strict way and I am personally preparing reminder letters to be sent to customers a few days before payments are due. Actually, there is no room for pessimism; but I do believe that we should be very cautious and every precaution should be taken before granting credit and that the terms should be restricted as much as possible, especially where luxury articles are concerned. This is my opinion based on my experience of ten years in the fur trade business. Gaston Jeannotte, Credit Manager, The Labrador Fur Company, Montreal, Quebec, Canada.

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Longer; lower sleeker lines; and of course, more horse power, that's the new 1957 model. What does the 1957 economic model look like, specifically, credit-wise? Terms will most certainly not be longer, nor will the down payments be lower. There is no loss in horse power however, and were it not for the good brakes now being applied we would eventually be heading for a real old pile-up. The problems confronting us in 1957 are much the same as in 1956, with some exceptions: hard goods such as refrigerators, stoves, and automobiles will no longer be available on low down payments. The Federal Government's restrictions on "easy" money have made this a certainty, and we in the automobile industry will be forced to

take a "second" look at all contracts written. I suggest that the businessman or individual who finds credit less accessible than he wishes should appreciate the need for credit restraint, and govern his spending plans accordingly. It may mean some immediate sacrifice, but in the long run it will benefit all. Revolving credit, which has shown a marked increase due to promotional campaigns, is coming in for close scrutiny by credit managers and balances are being kept within limits. Another indication that credit limits are getting somewhat out of line is the fact that credit managers are being urged by management to "get that account into a current position." A review of accounts receivable that used to be 30 days, are now getting into the 60- and 90-day class, an unhealthy position. Inflation, a word we all dislike heartily, slipped into our economy during 1956, very quietly to be sure, and in a mild form, but nevertheless quite evident. There are those, especially in the automobile and building industry, who feel that they are being singled out to bear the brunt of the credit curtailment. With this thought I am afraid I must agree. However, our chief problem for 1957 is to endeavor to re-educate our credit consumer not into lessening his purchases, but to convince him that a little larger down payment is a "must" and also to his advantage. The year 1957 can and I feel will be a good year, even surpassing in the first six months last year's total of \$368 million of consumer credit. To accomplish this, it may be necessary to make a change in company policy and adhere to it closely. Business failures across the country—some of them small concerns admittedly—are, nevertheless, on the increase and this in itself is cause for some serious concern and thinking. Repossessed cars, refrigerators, and television sets are not signs of good merchandising. So, for 1957, let's keep our brakes in good shape, applying them gently, and by doing so avoid any further steps by government decree, which could make that word "inflation" loom considerably higher on our business horizon.—S. W. Jenkins, Credit Manager, Vancouver Motors Limited, Vancouver, British Columbia, Canada.

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I believe the most important contribution we can make in the credit field during 1957 is through intensified education of the people we associate with in our business life. During the past few years, some progress has been made along public education lines by way of newspaper stories or advertisements, lectures in high schools and colleges, and pretty generally through courses sponsored by credit associations for people actively working in that field. We all know what a terrific driving force credit is in our national economy. We all know that the character of our economy is pretty well determined by the character of our credit thinking. Our credit activities during the past year have differed considerably from those of years past. Business is becoming more extremely sensitive to the slightest change in credit policies. The need for a good basic knowledge of sound credit fundamentals is of greatest importance, because by that knowledge are our active credit policies formulated. We in the credit field, particularly in a managerial capacity, have a positive responsibility to assure our firm that the people under our supervision and those who come to us for counseling are given the opportunity to learn and use credit based on proven fundamentals. Our organized credit associations are composed of people who specialize in credit activity. These associations must take a more active part in furthering the education of their members. They have never had a better opportunity to exercise this primary obligation they have to their members. By doing an outstanding job this year, they will assure their members a fuller share of profitable business and a national economy based on sound, effective credit principles.—Carl A. Kilgas, Northwest Credit Manager, General Petroleum Corporation, Portland, Oregon.

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During 1957, all indications are for a business year equal to 1956—in fact, most sales departments and management are predicting and setting quotas some-

what in excess of their 1956 volume. If such sales are realized, credit departments must be geared to analyze credit risks now with attention given to known marginal risks being sold, and in addition give close scrutiny to credit requests from new customers, who, in some instances, must be rated marginal. A credit granter must continue to screen consumer credit within the accepted credit standards of the firm, and still maintain a competitive position within the industry. Sales and credit departments both realize that extended and loose terms are an unwise manner in which to build sales volume. Revised credit approvals may be necessary for past credit users after a review of ledger experience, supplemented by current bureau reports. Furthermore, safeguards must be set up through proper controls, thus permitting early detection of future problem accounts. Family overhead is now feeling the effect of the increased cost-of-living index as well as the higher interest rates on borrowed money. Oftentimes, families are not currently aware of ability to pay being curtailed by increased living costs "sneaking in" to family expenses. In addition to a revaluation of marginal accounts in our changing business economy, another real problem and challenge confronts credit granter—such being the promotion and sponsoring in secondary schools (preferably at senior year level) of a course giving to the future users of credit at least an intelligent and reasonable understanding of credit adapted to the family household. The average credit user, through sound family budgeting, can assist in governing credit spending within his income with proper valuation given to actual needs compared to luxury items. Oftentimes, a postponement of purchases is essential for the individual—the decision rests largely with the individual. An improved understanding of credit and its use by the younger people, who will soon be active seekers of credit, will certainly have a gradual and constructive effect on the number of credit problems developing, thus avoiding repossessions, pooling of debts, and bankruptcies.—C. R. McCabe, Assistant Secretary, True's Oil Company, Spokane, Washington.

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As bank accommodation continues in short supply, it becomes increasingly evident that one of the most important credit problems to be faced in 1957 is to turn over accounts receivable of all types more quickly and still maintain satisfactory sales volume and profit levels. Reducing the number and amount of overdue accounts can be accomplished, of course, only by adopting a policy of more selective credit granting, combined with more effective collection standards. Such a policy need affect sales adversely, however, only if we become stagnant in our ideas for finding a healthier source of new business to replace that of the already debt-burdened customer who either cannot pay or cannot pay promptly, but to whom many firms persist in extending more credit on continually lengthening terms. One such source of new business is that great mass of potentially prompt-paying buyers who, in spite of Social Security and other forms of retirement insurance, practice unnecessarily frugal spending habits. Greater ingenuity, forcefulness, and persistence in our advertising should successfully reach a high percentage of these people who seem confused between a rainy day and perpetual precipitation.—Gordon Mackay, Credit Manager, Home Oil Distributors Limited, Vancouver, British Columbia, Canada.

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As I see the situation, our greatest problem for 1957 could easily be overconfidence in this period when employment is high, collections are good, inventories short and everything about us is in good condition. We could easily adopt an attitude of complacency, thinking we have all our problems solved only to awaken and find the situation different. Perhaps we would be wise to draw a parallel and look at the driver of an automobile, the engineer of a train, or the pilot of an airplane. We expect him to observe and heed all signs

and rules relative to safe conduct of the vehicle committed to his charge. Would we not be wise also to keep ourselves constantly alert and keenly aware of all our local conditions, thus giving our credit vehicle safe conduct through 1957?—Leonard L. Polk, Kemble Brothers Furniture Company, Fort Worth, Texas.

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Looking forward to the year 1957, I think we should use cautious optimism. In keeping with the trend of our economy, we should make every effort to increase our volume by the solicitation of new customers, and check to see if we could not increase the buying of our customers who have improved themselves financially. This, however, should carry with it a bit of caution, for we must keep an eye on our fringe accounts as well as those new accounts who are inclined to load up on their instalments.—Erwin E. Singleton, Manager, Credit Bureau of Beaumont, Beaumont, Texas.

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The consensus in this section indicates a year that should be comparable to 1956. It is anticipated that sales will continue at the current figures and that very little decrease will be registered. The chief problem in credit granting during this year would appear to stem from the collection angle. There has been practically no resistance to the addition of service charges to past-due accounts. In most cases charges are added when an account becomes four months past due. Admittedly this is not sufficient to cover the cost of handling delinquent accounts, but at least it is a step in the right direction and will probably cause a favorable trend to develop in the reduction of delinquencies. Another important phase in credit men's work this year will be to cut expenses since indications point to lower profits for 1957. There is a considerable amount of reorganization in the various offices and rearrangement of duties and the streamlining of operations to be done so that costs are reduced to a minimum. It is entirely probable that management will consider this extremely important as the squeeze on profits forces a close, critical scrutiny of store-wide, as well as the credit department's, cost of operations.—John W. Stovall, First Vice President, Republic National Bank, Dallas, Texas.

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We feel that the most important credit problem for 1957 is the education of our own personnel. We believe that you are now looking at the greatest medium that we have for promoting education, your magazine, *The CREDIT WORLD*. What are you going to do with this month's issue of *The CREDIT WORLD* after you finish reading it? This is most important and we feel that what happens to this magazine after you read it yourself is a very important thing to the education of credit people. You may ask yourself, What can I do? Briefly, there are many simple things that can be done with your issue of *The CREDIT WORLD*: 1. Additional copies of *The CREDIT WORLD* should be ordered for all credit assistants. 2. Through a circulating library plan, issues of *The CREDIT WORLD* should be made available to all credit personnel. 3. Important articles should be brought to the attention of our management. 4. Key articles in *The CREDIT WORLD* could be summarized and put out in the form of bulletins to our credit staffs. 5. *The CREDIT WORLD* and education should be part of our monthly credit association program. In San Francisco, we are quite proud of a recent program that we had over a period of four months. With the cooperation of the Credit Bureau of San Francisco, the Retail Credit Managers of San Francisco, and the Credit Women's Breakfast Club, we presented "The \$64 Question," patterned after the very popular television series, "The \$64,000 Question." *The CREDIT WORLD* was used as the sole basis for questions on this quiz show. We followed the format of the television program very carefully and brought our contestants back month by month until they reached the summit, or missed their question. Our presentation was complete in every detail with the television series from the MC on down to the bank guards and, yes, even our isolation booth in the form of a telephone booth. Full details of our presentation are published elsewhere in this issue of *The CREDIT WORLD*. We feel that with a little ingenuity each association can develop some sort of program using *The CREDIT WORLD* as a basis. So the next time we pick up our copy of *The CREDIT WORLD*, let's take a good look at it, read it very carefully, and let's make the education of credit personnel our most important project in 1957.—L. G. Williams, manager Credit Sales Department, W. & J. Sloane, San Francisco, California.

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.



FROM THE *President's Pen*

MARCH, the lion of the calendar, who usually comes roaring in and sometimes becomes a lamb before his departure, will soon usher in happy Springtime with its warm sunshine and beautiful days. The snow and ice will melt away and all Nature will come creeping out of her lethargy in her mantle of green and awe us with her splendor and her enormity. The birds will sing again, the flowers bloom, the young man's fancy will turn toward thoughts of love, milady's to thoughts of the new bonnet, the farmer's to his fields, and the Credit Sales Manager's to his accounts in a complete effort to make them bloom and smile with the gorgeous season. Spring, with its emphasis on life and activity, is the time to put that extra push behind sales effort! Don't overlook the opportunity!

The completed and bound proceedings of the Executive Committee meeting in St. Louis last November are being mailed to our Directors. They are voluminous and have required a great amount of time and hard work to complete, but I believe our Directors will be pleased with their content and constructive theme. Out of it, we hope to realize added improvement in several phases of our operations and procedures.

In our objectives for the year under *Educational-Public Relations*, we said, "As an invaluable service to our members, we urge continued and renewed efforts to support and strengthen The CREDIT WORLD, already the only outstanding publication devoted exclusively to retail credit. It is our chief aid to credit grantor education. It is our best medium of public relations and the strongest tie that binds us in a working organization. This can only be accomplished through the interest and help of our membership and especially those in positions of leadership." To those of you who have compiled and submitted material from month to month, I extend my grateful appreciation, and to all others I urge your help with timely articles on various phases of credit management, special features about your local work, or news items about activities or people. All these are acceptable and interesting. Your help in any manner toward building and increasing the usefulness and value of The CREDIT WORLD will be a worthy contribution to progress in our association.

I recently inspected the new collection and sales promotion stickers now offered by our National office, and found them very colorful and pleasing and a great improvement over the old. Some are in the new type dispenser, permitting one at a time, pre-moistened and easy to apply, which you will find most satisfactory. Others are packed loose in a slotted box, making withdrawal easy. Write the National office for samples and price list—or better still, consult the ad on the inside back cover and outside back cover of this CREDIT WORLD, and

send your order for a supply. You will be pleased with them.

Our congratulations and our thanks to Lloyd A. Eldred of the Credit Bureau of Weld County, Greeley, Colorado, for a total of 163 new N.R.C.A. members from his Bureau membership. It is another manifestation of the valuable cooperation now in evidence that will in the future weld our retail credit groups into a most effective and unified effort in keeping retail credit sound and workable. Our best to Mr. Eldred!

It is not too late to have a proper observance of Retail Credit Week—April 28 to May 4—in your city, but time is valuable! I would urge our local associations throughout the land to participate in this worthy project of the National Retail Credit Association. If our economy should become unstable or should take sharp rises toward further inflation or suffer a downward dip, the education of the consumer or debtor in management of personal credit would be a much needed and valuable necessity, both for the individual and for his creditors. The burden of his education is upon us. Let us not be negligent of the obligation!

This issue of The CREDIT WORLD is dedicated to the beautiful city of Montreal, Province of Quebec, Canada. Founded in 1642, by Paul de Chomedey, Sieur de Maisonneuve, and a small band of followers, it was first known as Ville Marie de Montreal and was to be known as "A city of God upon earth." Hardships, suffering, Indians and starvation threatened its existence as severely as all other efforts to establish settlements in the uncharted new world. Although a thousand miles inland, it is a busy seaport on the great St. Lawrence River. It is a city of colleges, parks, and cathedrals, with its famous Victoria Bridge and Mt. Royal as a background. The spirit and determination of the pioneer still prevails in the Great Dominion and in the hearts of its people including our own wonderful men and women of the retail credit fraternity. We salute the great city of Montreal and all our Canadian members for their loyalty and support of our organization and its aims and purposes, and express our sincere gratitude for their past, present, and future contributions to the betterment of consumer credit in North America!

Registrations and reservations for the 43rd Annual International Consumer Credit Conference, Miami Beach, Florida, June 16-20, are coming in! *Have you sent yours?* ★★★

Kimberley Goodman,
President

National Retail Credit Association

CREDIT FLASHES

San Francisco Credit Managers Elect H. F. Cadd

HAROLD F. CADD, credit manager, Ranshoff's, San Francisco, California, was elected president of the Retail Credit Managers of San Francisco for 1957. He



Harold F. Cadd

represented the Association at the annual meeting of District 11, N.R. C.A., held at Long Beach, California, February 16-19, 1957, and will also represent the Association at the 43rd annual International Consumer Credit Conference to be held at Miami Beach, Florida, June 16-20, 1957. Mr. Cadd succeeds Harold Chesney, credit manager, General Petroleum Corporation.

Philip F. Travers, credit manager, McAlister Buick, was elected vice president, and Charles J. Benson, The Credit Bureau of San Francisco, was re-elected treasurer. The Retail Credit Managers of San Francisco, the new name adopted by the credit fraternity of San Francisco, more adequately reflects the membership of the group. This change was occasioned by the fact that many executives in credit posts in the community are now women. The group was formerly known as the Associated Retail Credit Men of San Francisco.

Annual Meeting at Halifax

At the second annual meeting of the Credit Granters' Association of Halifax-Dartmouth, Halifax, Nova Scotia, Canada, the following officers and directors were elected: President, Roy L. Josey, Roy L. Josey, Limited; Vice President, Gordon E. Bryden, S. Cunard & Co.; and Secretary-Treasurer, P. J. Holland, Halifax-Dartmouth Credit Exchange. Directors: R. O. Oxner, T. Eaton Co., Ltd.; Robert Chapman, Gordon B. Isnor; A. Neily, S. Cunard & Co., Ltd.; Phil H. Etter, Imperial Oil Co., Ltd.; Elliot Jacobs, Bragers Limited; and Charles McCurdy, Robert Simpson, Ltd. Shown in the photo below are, left to right, Gordon E. Bryden, Roy L. Josey, and P. J. Holland.



Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Provinces of Quebec, New Brunswick, Nova Scotia, and Prince Edward Island, Canada) will hold its annual meeting at the New Ocean House, Swampscott, Massachusetts, April 28, 29, and 30, 1957.

District Three (Florida, Georgia, North Carolina, and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi, and Tennessee) will hold their annual meeting in conjunction with the 43rd Annual International Consumer Credit Conference, Fontainebleau Hotel, Miami Beach, Florida, June 16, 17, 18, 19, and 20, 1957.

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin, and Manitoba, Canada) will hold its annual meeting at the Hotel Duluth, Duluth, Minnesota, March 10, 11, and 12, 1957.

District Seven (Arkansas, Kansas, Missouri, and Oklahoma) will hold its annual meeting at the Hotel Muehlebach, Kansas City, Missouri, March 9, 10, and 11, 1957.

District Eight (Texas) will hold its annual meeting at the Texas Hotel, Fort Worth, Texas, May 18, 19, 20, and 21, 1957.

District Nine (Colorado, New Mexico, Utah, and Wyoming) will hold its annual meeting in Carlsbad, New Mexico, May 18, 19, and 20, 1957.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Provinces of Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting at the Davenport Hotel, Spokane, Washington, May 18, 19, 20, and 21, 1957.

Position Wanted

Credit manager desires to make change. College graduate, married, 25 years' business experience, 11 years' business experience with large ladies' ready-to-wear store doing seven million. Will relocate. Box 3571, The CREDIT WORLD.

Help Wanted

CREDIT SUPERVISORS. Travel eastern, central, and southern United States for eight-nine months each year. Accounting or credit background essential. Give full background, qualifications, and salary desired. All applications held strictly confidential. Write Retail Credit System, 325½ N.W. Second Street, Oklahoma City, Oklahoma.

Baltimore Celebrates Its Diamond Jubilee

Seventy-five years ago, the Credit Bureau of Baltimore, which is celebrating its diamond jubilee this year, was organized. It was started in 1882 by W. S. Langford, and was originally known as Langford's Exchange. At that time, the merchants and financial institutions of the city of Baltimore were without consumer credit service, and Langford, realizing the possibilities, started a small business on his own account. He made his own investigations, wrote his reports with pen and ink, and served as office boy and messenger. In short, it was a one-man credit bureau. Langford operated his Exchange for a number of years, but met with indifferent success. Consequently, he decided to withdraw and engage in the restaurant business. The local merchants, learning of this, got together, took over Langford's Exchange, and organized the first Union Credit Company. It was incorporated under the laws of Maryland, with Robert G. Magruder as manager.

About ten or twelve years later, a group of men associated with R. G. Dun & Company organized the Mutual Mercantile Agency, with headquarters in New York, and succeeded in interesting the owners of the Union Credit Company in a merger. The objective of the sponsors was to place a third national reporting and mercantile agency in the field, in direct competition to R. G. Dun & Company and The Bradstreet Company. The life of the Mutual Mercantile Agency was of short duration. When it folded, the files, records, equipment, and personnel were once again taken over by a group of prominent Baltimoreans, headed by Messrs. Henry W. Williams and his brother, N. Winslow Williams, who reorganized the Union Credit Company under the laws of Delaware, with Joseph A. Gilpin as manager. He was succeeded by Robert O. Cowan, later identified as owner of the Commercial Reference Company of Philadelphia, who, in turn, was succeeded by Louis E. Goodman.

During 1917, a group of retail merchants, members of the Retail Merchants Bureau of the Baltimore Association of Commerce, organized and incorporated the Retail Merchants Credit Exchange, which began operations Jan. 1, 1918, with Edmund W. Winchester as manager. May 15, 1918, the Union Credit Company merged with the Retail Merchants Credit Exchange, and the name was changed to the Union Credit Reporting Company. Mr. Goodman continued as manager until June 1, 1921, when he resigned to engage in the insurance business, trading as Goodman & Wolman. He was succeeded by John W. Mehling, who had been identified as secretary of the Retail Merchants Bureau of the Baltimore Association of Commerce, and as secretary of the Retail Merchants Credit Exchange.

By 1927, control of the company had passed from the private owners to the retail merchants of the city, and as of March 1, 1927, the name was officially changed to the Retail Merchants Credit Bureau, Inc. During 1932, a Collection Department was added to the consumer credit reporting activities, and Philip Heller Sachs, a local attorney, was employed to manage that depart-

ment. Mr. Mehling continued as general manager until October, 1948, when he resigned to devote his full time to trade association activities, as executive secretary of the Retail Merchants Association of Baltimore. He was succeeded by Charles F. Roycroft, at present executive vice president and general manager, who has been associated with the Credit Bureau since 1926. He had been assistant general manager of the Credit Bureau for a number of years, and assistant secretary of the Retail Merchants Association since 1932.

The Credit Bureau of Baltimore has been in continuous operation for 75 years. It is the oldest locally owned consumer credit reporting agency in the United States. Last year, both its reporting and collection departments handled the largest volume of business in the company's history. On a per capita basis, the Bureau is doing the largest consumer credit reporting business of any member of the Associated Credit Bureaus of America. All subscribers are, and have been for many years, members of the National Retail Credit Association.

Harley J. Boyle Retires

HARLEY J. BOYLE, credit manager, The Crescent, Spokane, Washington, for the past 33 years, retired January 31, 1957. He had been with the store since July, 1919. Born in Astoria, Oregon, Mr. Boyle came to Spokane as a boy with his parents, but moved soon thereafter to New York. He completed high school in Indianapolis, Indiana. He attended Stanford University and was graduated from the University of Michigan law school. After receiving his law degree he returned to Spokane and took employment with the old Culbertson's department store as assistant manager. He joined The Crescent a few years later.

He has served as president of the Spokane Retail Credit Association, a director and secretary of the Credit Management Division of the National Retail Dry Goods Association, and a director of the National Retail Credit Association. He is a member of the Westminster Congregational Church. He has been a member of the Quarter Century Club of the National Retail Credit Association and now becomes an honorary life member.

In addition to supervising credit operations, he has had charge of the sales audit and accounts receivable departments. During the time he was with the store, credit volume increased from 35 to 70 per cent of the total volume and the number of accounts has increased several times. The department has maintained an enviable position not only among department stores on the Pacific Coast but throughout the nation.

R. A. Paterson, president and general manager of the store, has announced that after a vacation in the Southland Mr. Boyle will return to the store on a part-time basis on collection investigations. The N.R.C.A. wishes him good health and happiness in his well-deserved retirement.

CREDIT DEPARTMENT

Letters

LEONARD BERRY

National Retail Credit Week begins on Sunday, April 28, and ends on Saturday, May 4, 1957. This will be the fourth annual observance of the event. It is rapidly becoming part of the American scene. We hope that every community, large and small, will participate to some extent in the activities. Details have been printed in previous issues of *The CREDIT WORLD* and chairmen of local committees have been urged to request their copy of the portfolio of useful material available from the National Office. This is a golden opportunity for credit managers to become most effective and to make a solid contribution.

The point we want to make is that *National Retail Credit Week* will provide excellent springboards for individual managers of credit sales, both in sales promotion and in collections.

Credit sales promotion campaigns for new accounts and for the reactivation of inactive accounts will be especially successful during that period and immediately before and after. People will be conditioned to thinking about credit as a way of securing the good things of life sooner and cheaper, so they will be receptive to your approach. Credit managers should be alert to the advantages of timing their promotions so as to capture maximum response.

As for collections, the fact that many ministers and pastors of all faiths and denominations will devote at least part of their sermons on April 28 to Retail Credit should arouse in the hearts and minds of debtors a wish to pay old bills and thus "square themselves." It would be wise to send reminders to those accounts in the Profit and Loss ledger about that old bill, with the suggestion that something be done about it!

National Retail Credit Week is intended to bring home to the public generally the importance of credit in our economy and the wisdom of using one's personal credit to "live the better life." It is also intended to remind them that credit imposes obligations and that prompt payment is not only moral but essential. Surely both these objectives are in line with the goals of all credit executives.

Managers of credit sales should therefore enthusiastically join in local plans for retail credit education. They should willingly accept and even seek invitations to address audiences on credit. They should urge their publicity and advertising associates in the firm to harness the power of advertising and display to increase the coverage of the message. The spark of initiative can best come from the credit department.

Plans for *National Retail Credit Week* should now be in the final stages. All details should have been ar-

ranged. Each member of the local retail credit association and credit women's breakfast club, together with credit bureau personnel, should be assigned a specific part in this event. When we can get people working for a cause we capture their energy and support.

The end result of *National Retail Credit Week* can be increased credit sales, improved collections, and a betterment of credit conditions generally. Only if everyone involved does his part will it come about.

This Month's Illustrations

Illustration No. 1. Here is an acceptance of new revolving credit account letter used by The Fair, Beaumont, Texas. The letter is friendly and brief with the identification card and explanatory booklet enclosed. This is good procedure. A "good news" letter should be short . . . the good news is what the customer wants to hear—and quickly!

Illustration No. 2. The payment in full, and as agreed, of a contract account or loan gives a wonderful opportunity for sales promotion. In this excellent letter the Citizens Bank, Charlotte, North Carolina, takes advantage of the golden opportunity to cement firmly and lastingly the friendship of the customer for the bank and to offer future services.

Illustration No. 3. Here is still another of the informative printed brochures being more and more widely used to explain the details of credit service to prospective customers. We show the outside front and the inside of a fold-over brochure used by Higbee Company, Cleveland, Ohio. On the back page (not shown) appears a list of the merchandise that can be purchased on Higbee's Budget Plan Accounts.

Illustration No. 4. Space allows us to show only the front of this attractive folder used by The Emporium, St. Paul, Minnesota. Inside is an explanation of the credit plan set forth in a series of questions and answers. Also given is the flexible payment chart used by The Emporium. *We show it here:*

Flexible Payment Chart

If billed balance is:	Flexible Monthly Payment is:	If billed balance is:	Flexible Monthly Payment is:
to \$ 60	\$10	\$150-\$175	\$30
\$ 60-\$100	\$15	\$175-\$200	\$35
\$100-\$125	\$20	\$200-\$250	\$40
\$125-\$150	\$25	over \$250	$\frac{1}{4}$ of balance

Note—Please send to the National Office samples of the printed brochures you use to explain your various credit plans to customers. *Thank you.* ★★

The Fair

UNIVERSITY OF NORTH CAROLINA
1000 MAIN STREET, CHARGE IT! CHARGE IT! CHARGE IT!

①

Date

Mrs. John C. Customer
000 Main Street
Your City, Your State

Dear Mrs. Customer:

Your request for an account with us is appreciated. We are happy to open a "Revolving Credit Account" for you, and sincerely hope that we will have the pleasure of serving you often in the future.

Enclosed is your identification card and a booklet explaining the operation of your account. Use it whenever you wish and see how convenient it can be when all you need say is, "Charge it".

Very truly yours,

E. C. Fowler
Credit Manager

CITIZENS BANK

FIRST INDUSTRIAL BANK IN NORTH CAROLINA ORGANIZED 1916

CHARLOTTE, NORTH CAROLINA

ROBERT M. HARRISON, PRES. 1933-34

Date

②

Mrs. John C. Customer
000 Main Street
Your City, Your State

Dear Mrs. Customer:

Thank you for the excellent manner in which you have paid your loan with us. By so doing, you have established a preferred credit rating, and we are happy to offer you the full benefit of "Citizens" banking services. It is our sincere hope that you will use any of these services which may be helpful to you.

If you have no need for another loan, we suggest that you continue making monthly payments and have them credited to a savings account in your name. Then, when you need funds, you can draw on your own account.

In any event, you may be sure that we shall welcome further opportunities to serve you. Instead of feeling we have lost a customer, we feel we have made a friend and it will be a pleasure to serve you again.

Sincerely yours,

J. Calvin Padgett
Vice President

Enjoy Now . . .

③

New furnishings for your home
New labor saving appliances
New leisure-time necessities
New clothes for all the family

Pay Later . . .

Higbee Credit Plans are varied—
use one or more to meet your needs.



HIGBEE

Convenient ways to buy at The Higbee Company

Higbee Thirty-Day Charge Account:—

A 30-day charge account is a real convenience, whether you shop in person, by mail, or by telephone. Just say "charge it" and your transaction is on its way to completion. Your Charge-Plate speeds this service and provides ready identification. 30-day charge accounts are payable in full each month.

Higbee "Flexible" Revolving Charge Account:—

Used in place of—and in exactly the same manner as the Higbee 30-day charge account—differing from it only in that instead of payment for purchases being due in full each following month, account payments may be spread over a period of months as indicated on the following chart.

CURRENT MONTH'S ACCOUNT BALANCE	PAYMENT DUE
Up to \$ 50.00	\$10.00
\$ 50.01 to \$110.00	15.00
\$110.01 to \$130.00	20.00
\$130.01 to \$160.00	25.00
\$160.01 to \$200.00	30.00

The amount of the account may fluctuate upwards or downwards as indicated by the chart, and the required monthly payment will vary as the amount of the account varies. Accounts of over \$200.00 are subject to special arrangements with our Credit Department.

With this type of account there is a carrying charge.

Higbee Budget Plan Account:—
(No Down Payment)

A practical method for those who wish to spread the cost of major items or groups of special purchases such as Christmas, Easter, Graduation, Vacation, back to school time, etc., over a number of months, thus keeping your Thirty-Day Account or your Revolving Charge Account clear for current needs.

The Higbee Budget Plan is elastic and all-inclusive:

- Providing up to 36 months for payment of pianos, organs and major appliances—
- Up to 24 months for payment of furniture, TV, radio and other home furnishings—
- Up to 8 months for payment of furs, coats, suits and merchandise of any description in amounts aggregating \$20.00 or more.

Additions to Budget Plan Accounts may be made at any time, and often without increasing the size of existing monthly payments.

There is a carrying charge except where payment is arranged in 3 equal monthly amounts.

Lay-Away Plan (Will Call):—

Merchandise of any type may be put in Lay-Away. A deposit will hold your selection for full payment later.



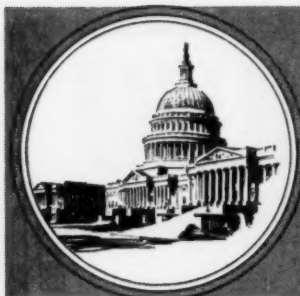
④

Announcing . . .
a dynamic
new credit plan

E.R.C.A.

Emporium
Revolving
Charge
Account





★ Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

A Judicial Decision—Debt Pooling Operations Constitute the Practice of Law—The Massachusetts Supreme Court in *Home Budget Service v. Boston Bar* (January 7, 1957) has upheld a Massachusetts statute making debt pooling operations equivalent to the practice of law. (For digest of the Massachusetts act see *The CREDIT WORLD*, August, 1956, p. 31.) The court finds that in the debt pooling situation the distressed debtor is "importuned" through advertisements to engage a skilled debt handler. After the establishment of the necessary relationship of confidence, the debt pooler negotiates with the debtor's creditors, dealing with them or their attorneys without regard for pending suits, judgments, or attachments. The debt pooler may not give advice as to the validity of claims, the omission of which may be a surrender to a demand that a lawyer would have resisted. The debt pooler's operations may thus deny the debtor the skilled professional advice he needs. The debt pooler is practicing law though he may never enter a courtroom or prepare a legal document.

Bankruptcy Filings Increase—The annual report of the Administrative Office of the United States Courts on bankruptcy matters for the fiscal year ended June 30, 1956, submitted to Congress under date of January 18, 1957, as required by the Bankruptcy Act, states: "The upward trend in the number of bankruptcy cases filed which started in 1947 and was interrupted in only one year (1952) has continued through 1956." The number of new cases filed and the rates of change compared with the preceding years are set forth in the following table:

FISCAL YEAR	NUMBER	RATE OF CHANGE
1947	13,170	29.1% Increase
1948	18,510	40.5% "
1949	26,021	40.5% "
1950	33,392	28.3% "
1951	35,193	5.4% "
1952	34,873	0.9% Decrease
1953	40,087	15.0% Increase
1954	53,136	32.6% "
1955	59,404	11.8% "
1956	62,086	4.5% "

Chapter XIII (Wage Earners' Plans) Statistics—By far the largest percentages of all bankruptcy cases fall into two categories, namely, voluntary straight bankruptcies, and wage earners' plans, under Chapter XIII. Of the total of 62,086 new cases filed in fiscal 1956 (shown in table above), 50,655 or 81.5 per cent were voluntary straight bankruptcies, and 9,535 or 15.3 per cent were wage earners' plans.

Of the total of 9,535 new wage earners' plans commenced in fiscal 1956, 6,523 (68.4 per cent) were filed in Alabama; 1,177 (12.3 per cent) were filed in Tennessee; and 530 (5.5 per cent) were filed in Georgia.

The total cases filed in these three states amounts to approximately 86.2 per cent of all wage earners' plans filed on a national basis, including continental U. S. Looking at cases filed by judicial districts, the report shows that seven districts, each representing primarily one principal metropolitan area, account for over 90 per cent of all cases, as follows:

DISTRICT	PRINCIPAL CITY	NUMBER	PER CENT
Northern Ala.	Birmingham	5,660	59.3
Western Tenn.	Memphis	1,041	10.9
Southern Ala.	Mobile	597	6.2
Kansas	Kansas City, Kan.	440	4.6
Southern Ga.	Savannah	374	3.9
Western Mo.	Kansas City, Mo.	288	3.0
Middle Ala.	Montgomery	266	2.7
TOTAL		8,666	90.6

It seems apparent, therefore, that Chapter XIII of the Bankruptcy Act is little used outside of these principal urban areas (and their judicial district) where the benefits and advantages of the wage earners' plans provisions of the Act are being utilized by substantial numbers of wage earner debtors. By way of contrast to the metropolitan areas and judicial districts indicated above, the entire State of New York, composed of four judicial districts, had only 10 new cases filed under Chapter XIII in fiscal 1956; the State of Pennsylvania, composed of three districts, had no new cases filed; and the State of California with two districts had four cases filed; in Texas, with four districts, one case was filed. In the 10-year period, 1947-1956, the total number of voluntary straight bankruptcies filed increased from 9,657 in 1947 to 50,655 in 1956; and in the same period wage earners' plan cases increased from 2,354 to 9,535. The gradual increase in total of all cases filed from 13,170 in 1947 to 62,086 in 1956, as indicated in table above, was percentage-wise a numerical growth in all cases filed amounting to 371 per cent. However, it should be noted that while Chapter XIII cases experienced the steady increase in filings, as indicated, nevertheless fiscal 1956 saw a drop in total wage earners' cases from the peak year, which was fiscal 1955 when 9,864 cases were filed. The drop to 9,535 new cases in 1956 represents a decrease of 329 cases, or 3.3 per cent. The growth of debt pooling and/or debt adjusting (along with the increase in volume of consumer installment credit) may suggest that the 3.3 per cent decrease in wage earners' plans filed in 1956 has been brought about, at least in part, by debt pooling operations.

These debt pooling operations appear to have grown by leaps and bounds across the country, indicating the possibility of increased, rather than decreased, need for a plan or system such as the wage earners' plans, operating under the protective shield of the Bankruptcy Court.

comparative

COLLECTION PERCENTAGES

January 1957 vs. January 1956

N.R.C.A. DISTRICT and CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES						
	1957			1956			1957			1956			1957			1956			1957			1956			
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	
Boston, Mass.*	44.1	60.8	34.2	42.7	50.1	35.6	11.3	15.3	8.3	11.3	14.8	7.3	—	—	—	—	—	—	—	—	—	—	—	—	
Portland, Me.	—	—	—	—	56.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Providence, R. I.	41.2	45.8	40.1	43.1	46.4	40.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Springfield, Mass.	58.9	64.9	52.9	50.0	51.7	48.3	20.5	26.0	15.0	28.6	31.1	26.0	—	61.4	—	—	62.1	—	—	49.8	—	—	48.0	—	
Worcester, Mass.	—	—	—	46.2	48.4	44.0	—	—	—	—	21.2	—	—	—	—	52.3	55.6	49.0	—	—	—	—	—	—	
2 New York, N. Y.	46.9	58.9	39.6	45.9	58.6	36.5	11.6	13.0	10.3	13.5	15.1	12.0	50.3	58.1	45.8	50.7	58.0	45.2	48.6	54.3	42.9	52.8	54.4	51.1	
4 Birmingham, Ala.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cincinnati, Ohio	59.8	61.8	56.7	51.9	57.2	47.0	17.5	20.7	13.6	17.0	19.8	12.9	—	—	—	—	—	—	—	—	—	—	—	—	
Cleveland, Ohio	50.6	60.2	44.6	48.9	60.5	44.2	16.0	19.1	12.9	16.4	21.7	10.3	48.9	56.2	41.6	44.6	50.6	38.7	64.1	88.0	40.2	68.0	88.4	47.4	
Louisville, Ky.	51.0	53.3	46.0	41.6	52.9	30.3	17.4	18.1	16.6	16.2	17.2	15.7	43.4	49.5	39.7	45.2	49.6	40.8	47.5	51.2	44.0	48.1	59.7	41.3	
5 Milwaukee, Wis.	—	—	—	54.2	59.5	44.3	—	—	—	15.5	15.7	14.8	—	—	—	50.2	59.1	41.4	—	—	—	57.2	71.4	49.0	
Toledo, Ohio*	47.9	59.0	21.5	45.0	49.0	25.3	17.0	18.0	12.5	17.8	21.0	13.4	—	49.9	—	—	43.2	—	—	—	—	—	—	—	
Youngstown, Ohio*	—	34.7	—	—	36.5	—	—	13.1	—	—	13.2	—	—	—	—	—	—	—	—	—	—	—	—	—	
Ottawa, Ont.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
6 Minneapolis, Minn.	55.6	60.4	49.1	55.3*	62.3	48.1	15.2	15.6	14.7	15.2	16.9	13.6	50.2*	61.3*	39.1*	45.9*	59.0*	32.7*	42.8*	44.8*	40.0*	42.7*	47.2*	38.2*	
7 Kansas City, Mo.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
St. Louis, Mo.	55.0	55.5	54.0	51.0	55.6	50.6	17.1	21.0	16.4	21.3	21.9	17.7	46.5	48.1	45.5	50.8	58.3	35.4	46.5	48.1	45.5	50.8	58.3	35.4	
Dallas, Texas	—	49.7	—	46.9	49.1	39.7	—	10.7	—	15.5	16.1	9.9	—	—	—	—	—	—	—	—	—	—	—	—	
8 Ft. Worth, Texas	47.3	47.6	43.3	45.6	48.1	42.6	13.1	15.1	11.3	12.3	17.1	11.9	46.0	51.1	36.4	50.9	51.1	49.4	—	—	—	—	—	—	
Houston, Texas	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9 Denver, Colo.	48.4	52.5	35.4	42.0	52.0	32.1	16.3	16.9	15.3	18.8	28.6	15.0	49.7	52.5	47.0	45.6	49.8	41.5	49.7	52.5	47.0	45.6	49.8	41.5	
Salt Lake City, Utah	45.1	48.6	42.1	43.4	50.1	40.3	16.9	19.5	14.1	17.3	19.6	15.2	—	—	—	—	—	—	49.1	52.0	46.2	45.0	53.9	36.2	
10 Spokane, Wash.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Los Angeles, Calif.	56.9	60.5	39.0	51.2	58.2	37.9	—	—	—	—	—	—	—	—	—	—	—	—	48.4	87.3	38.7	48.2	75.9	40.0	
Oakland, Calif.*	58.8	66.8	45.1	60.4	64.4	45.2	15.5	17.6	13.3	15.5	18.5	12.7	54.2	55.1	53.2	53.5	57.0	49.9	—	43.9	—	—	47.6	—	
11 Santa Barbara, Calif.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
San Francisco, Calif.*	55.9	70.5	38.4	54.0	70.4	50.8	15.1	17.2	13.5	14.5	16.5	13.7	44.2	44.9	40.3	43.9	47.6	41.1	44.3	51.7	38.6	45.1	49.2	42.1	
San Jose, Calif.	49.9	62.2	43.3	51.0	59.0	41.9	18.8	23.8	13.9	16.9	18.8	15.0	49.9	54.0	45.8	47.6	53.3	41.9	49.9	54.0	45.8	47.6	53.3	41.9	
Baltimore, Md.	49.0	56.1	36.1	46.4	51.3	42.6	16.1	20.1	11.4	15.5	21.6	10.9	45.3	49.8	40.8	41.7	42.5	41.2	45.1	60.2	30.0	45.3	55.6	35.0	
12 Philadelphia, Pa.	—	—	—	36.1	40.8	27.1	—	—	—	—	8.7	10.4	7.1	—	—	—	43.9	48.7	40.0	—	—	—	—	—	—
Washington, D. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

* Figures for December. ° Includes 30-60-90-day accounts.

Consumer Credit for December

CONSUMER INSTALMENT credit amounted to an estimated \$31,552 million at the end of December 1956, an increase of \$528 million during the month. This compares with December increases of \$751 million in 1955 and \$585 million in 1954. The increase during December occurred in consumer goods paper other than automobile and in personal loans. Automobile instalment paper and repair and modernization paper both declined slightly. Total short- and intermediate-term consumer credit outstanding amounted to an estimated \$41,863 million at the end of December, \$1,232 million above a month ago and \$3,215 million above a year ago. On a seasonally adjusted basis, instalment credit increased by \$183 million in December. This was about \$100 million below the increase in November but slightly above the monthly average increases in the second and third quarters of the year. Seasonally adjusted extensions amounted to \$3,368 million in December, down \$85 million from November. Seasonally ad-

justed repayments, estimated at \$3,185 million, were up \$25 million from the previous month.—Federal Reserve Board.

Department Store Credit for December

INSTALMENT ACCOUNTS outstanding at department stores increased 10 per cent in December, reflecting a seasonal expansion in instalment sales, and at the year-end were 12 per cent above the year-ago level. Collections on these accounts amounted to 14 per cent of first-of-month balances, 2 points less than in November and 1 point less than a year earlier. Charge accounts receivable also showed a seasonal rise, and were up 33 per cent from the end of November and 4 per cent from a year ago. The December collection ratio is estimated at 45 per cent, 2 points less than in November and 1 point less than in December 1955. Each type of transaction at reporting department stores increased substantially from November to December, resulting in a monthly rise in total sales of 42 per cent. Compared with a year ago, however, total sales were down 1 per cent, reflecting declines in cash and charge-account sales offset in part by a slight increase in instalment sales.—Federal Reserve Board.

Granting Credit in Canada

Consumer Credit Unregulated

CARL B. FLEMINGTON, F.C.I., F.C.I.S., *Secretary-Manager, Credit Bureau of Greater Toronto*

CANADIANS are today living in a credit economy, one which is free from restriction and regulation, one which permits of free bargaining between buyer and seller. As a result, we have never been more prosperous nor has our standard of living ever been so high. This, undoubtedly, is due in great measure to the fact that the masses have been able to purchase durable items of an expensive nature, and pay out of current income while experiencing present enjoyment; these might be deferred or denied if it were necessary to pay the full price at time of purchase.

We are all aware of the various types of consumer credit, and their respective characteristics. It is, however, sufficient to note that each plays its individual part in our present-day credit economy. Credit restriction or regulation under government edict is sometimes necessary in times of national emergency, and it is important that we conform to these regulations to the fullest extent during such periods. Today, we are without restrictions of any nature. Fortunately, we are living in a democracy, and free enterprise in business should not be interrupted unless it is decided that through the imposition of credit controls of an emergency nature our economy can be served best.

During the war years, restrictions were effected in order to conserve vital materials and personal savings for war purposes, as well as to act as a brake on inflation. Should restrictions be imposed again, barring war, it would doubtless be caused through our acquired standard of living placing demands for money and materials beyond our ability to supply short of widespread inflation.

There is at the present some indication that such a situation might exist. We are made aware of this through the concern expressed by our monetary authorities and the progressive increases in the interest rate charged by the Bank of Canada to our chartered banks. There has also been a revision relative to borrowing by governments, businesses and individuals alike. With the Canadian dollar at a premium in world markets, with savings and employment at peak figures, we are in an enviable position, but under such circumstances it is well to take stock, as unguarded extension of consumer credit might well lead to a situation causing grave concern.

Some recent figures record that instalment sales comprise only 12.5 per cent of total retail sales, and yet that small percentage provides for the distribution of 65 per cent of all durable goods. This serves to illustrate the importance of mass production and mass consumption, and its effect on our national economy. The increase in the volume of business created by consumer credit sales not only reduces the ultimate cost of merchandise to the user, but also provides a reasonable margin of profit to manufacturers and distributors. Mass demand further

provides for full-scale employment of both man power and materials.

Daniel Webster once said, "Credit has done a thousand times more to enrich mankind than all the gold mines in the world." This statement has become increasingly justified as we witness the development of world trade, particularly as it relates to the improved standard of living of the masses.

Modern consumer credit development is, to a great extent, based on the ambition of our people. The record of Canadian families would indicate them to be operating on a sound financial basis, with, of course, a few expected exceptions. Their future obligations, as a general rule, are assumed only after due consideration and with a full measure of the relative responsibility. While there is some concern expressed occasionally with regard to the volume of instalment credit, it would seem that when the volume is weighed against earnings, savings, and acquired capital, there would appear to be no real reason for concern. Our interests should be measured not through total figures representing this category, but rather from the standpoint of whether or not individual commitments are too high. If credit is extended on a sound basis, too much anxiety should not exist with the over-all total.

Consumer credit is commonly divided into three categories:

- A—Charge Accounts
- B—Revolving Credit
- C—Instalment or Budget Credit

The first is usually described as convenience credit, and is extended by merchants to customers of known integrity, and usually confined to those of middle or higher income brackets. The advantages of this type of credit are many. It avoids the necessity of carrying cash and facilitates purchases by telephone; further, it voids the necessity of COD's. It provides an inventory of monthly purchases and, particularly in the larger stores, it results in centralizing of purchases.

Canadians More Credit Conscious

Charge-account credit is generally extended on the understanding that the account is paid in full within a thirty-day period, and title to the goods passes to the customer at time of purchase. This type of credit is becoming more and more popular as a convenient medium for the buying of all types of merchandise, as Canadians are becoming more credit conscious.

Revolving credit bridges the gap between charge and instalment credit. The credit limit is determined through mutual agreement between buyer and seller. Credit is usually extended for a period of six months with one-sixth as a down payment with instalments not less than

\$10.00 per month. As the balance is reduced, further purchases may be added up to the amount of authorized credit. If, at a later date, the credit limit is increased, the other relative items should be adjusted accordingly.

Instalment credit provides a method for acquiring an article where the outlay is too large to be met out of accumulated savings or current income. This form of credit is playing an increasingly large part in our present economy, and is responsible, to a large extent, for the acceleration in business volume and development.

If purchases under this plan are wisely made, it reacts to the buyer's advantage. A system of enforced savings has been imposed, and some tangible return has been evidenced, which in all probability would otherwise have been diverted to some less useful purpose. Title to the merchandise does not pass to the purchaser until payment in full has been made. If the status of an individual is to be enriched, rather than enslaved, care should be taken not to exceed his capacity to pay. The degree of permanent income should be considered, and allowances made for primary living expenses such as food, shelter, heat and clothes, plus a regular allowance to cover periods of illness or emergency. Every effort should be made to keep instalment payments up to date, as a good credit record leads to progress and happiness, whereas its disregard leads to uncertainty.

Retail outlets as well as the professions have a real service to perform, and a public relations problem to solve through the extension of credit to the consumer. In this function, they should seek to enhance rather than to exploit. They should sell merchandise or services without resort to unfair practices and unlimited terms. Since 95 per cent of the people are fundamentally honest, 5 per cent or less must be guarded against; and it should be kept in mind that this small percentage might easily represent the difference between profit and loss.

Investigation plays a very important part in credit granting, and the primary factors to be considered are:

- A—*Character* denoting the degree of willingness to pay.
- B—*Capacity* reflecting the ability to pay.
- C—*Capital* which sets forth the assets if collection or legal process becomes necessary.

In addition to these, certain recognized stabilities such as residence, employment, and earning power should be taken into consideration.

In our present-day economy, the Acceptance Corporation or Discount Co-operative plays a large part in instalment credit sales. Through this medium, the merchant who lacks sufficient capital wherewith to finance his credit sales is able to refinance, and thereby compete with his fellow merchants. This system will, undoubtedly, be more expensive; the degree depending on whether money is advanced on a recourse or a nonrecourse basis. The finance company usually sets terms of payment and carrying charges in addition to which a lien is taken on the goods financed.

As in the world of physics where each action has its own and opposite reaction, so credit is based on character, resources, and wisdom. All component parts must co-ordinate in order to maintain proper control in its operation. Credit, in the final analysis, is a science which calls for a definite knowledge of the underlying truths and principles of the risk involved.

In this era, it would prove extremely difficult to control the extension of credit to the consumer without the

ANALYZE HANDWRITING

STOP CREDIT LOSSES

Credit executives use grapho analysis to cut down credit losses. Charles Martin, District Credit Manager for International Harvester, has used grapho analysis for years. Mr. Matheson, lumber company executive, selects his help by analyzing handwriting. Free lesson, full details sent without obligation. State your age on personal or company letterhead. All replies personal.

IGAS, Inc., Dept. 617, 2307 National Sta., Springfield, Mo.



assistance of Credit Bureaus, which constitute a central pool of pertinent information. Members report as to the identity of their customers, and record is made so that at some future date, as occasion may require, knowledge of their experience with the customer may be gained. In other words, members of the credit bureau pool their information for mutual interchange, and the credit of an individual is largely dependent on the information thus recorded.

The over-all function of credit bureau operation tends to increase considerably the calibre of business stability in the community. Its aims and purposes are to educate the consumer in the proper use of credit, and to impress upon him the importance of maintaining a good credit record. Credit bureaus are located in all principal cities and towns across Canada from St. John's, Newfoundland, to Victoria, British Columbia, and are affiliated through what is known as the Associated Credit Bureaus of Canada. This is for purposes of inter-bureau reporting and uniformity in procedure.

Some credit granters, in their desire to maintain or increase sales volumes, may be tempted to overload the customer or reduce the down payment and extend the life of the contract. With increasing interest rates for loans, and considering the concern of the monetary authorities over the fear of further inflation, merchants should endeavour to adopt a more conservative programme relative to the extension of credit. All risks should be thoroughly investigated in order that credit extension may be based on a thorough understanding of the circumstances. Much of value, to those engaged in the extension of credit to the consumer, is to be gained through membership in local organizations such as the Credit Granters' Association of Canada, where ample opportunity is provided for the discussion of mutual problems. Activities usually include open forums and panel discussions, along with speakers dealing with topics of specific interest. Through this medium, courses of study dealing with both credit fundamentals and management are sponsored. Through this connection there is also ample opportunity afforded to fraternize with others engaged in the same line of business endeavour, and confronted with similar problems. Cooperation for credit protection is of vital importance in the sane granting of credit.

Credit has become a profession, and as such has achieved true recognition. The Canadian Credit Institute, through the University of Toronto Extension Department, is offering a completely new and revised three-year course leading to the degree of M.C.I. This course not only covers such subjects as Credits, Collections, and Retailing, but also includes studies in Economics, Physics, Business English, Accounting, and Commercial Law, which assist in the application of practical knowledge. Theory and practice combine to ensure the safe and sound extension of credit.

★★★

Something About Havana!

THERE certainly is "something about Havana." There could be no more suitable place to recuperate after the whirl of the Conference in Miami Beach. Life in Cuba is lived in an atmosphere quite unlike anything known in the United States for, despite the outward signs of Americanization in the air-conditioners, refrigerators, radio, TV, Cadillacs and jeeps and other blessings of civilization, La Habana is at heart a Spanish city with Latin American variations and heavy borrowings from the dance and music of Africa. Shown below is a picture of carnival parade along the Malecon Drive. Morro Castle is in the background.

Cuba is so accustomed to a good visitor traffic that customs and immigration formalities are handled swiftly and with a minimum of fuss at the airport. The Sevilla Biltmore is well placed on the breezy Prado where all the world and his wife walk in the evening. There are good stores nearby.

Food is good to excellent and unusual in Havana. If you wish to eat away from the hotel, the Miami and El Patio restaurants rank among the best in the city and are within walking distance of the Sevilla Biltmore.

Sea food is outstandingly good everywhere—look for the sign "Mariscos" which indicates that fine Gulf

shrimp, pompano, snapper, bonito and pargo can be eaten there: this is not a limited list. Cuba knows how to treat sea-food dishes. One can eat beef any time at home, so if sea food does not appeal to you, you can try a paella, otherwise known as arroz à la Valenciana, which for the uninitiated is saffron rice, peppers, and green peas enclosing morsels of meat, chicken, sea food, and sausage—it is far better than its list of contents suggests. There are plenty of other Spanish dishes available and waiters will always describe them in detail if you show interest.

Language is no problem in Havana in most restaurants and bars, as the staff have learned English from school and from contact with millions of tourists through the years. At most restaurants, a very wide range of dishes are offered; the Zaragozana is famed for its recipes from old Spain.

There is plenty of good fruit in Cuba. Try some papaya for breakfast, if that is new to you—but remember to look in the menu for, and ask for, "fruta bomba" if you want this because the word "papaya" has another connotation in Cuba. Try "mamey" as dessert—a custard apple which resembles a shelled coconut on the outside and reveals a dark red flesh within, which is



delicious. All citrus is good, marvelously juicy, and as a general rule far better than its outward appearance.

Avocado is known as "aguacate" in Cuba. Salads can be eaten here without fear, in contrast to some other Latin American countries. The majority of dishes are taken with a squeeze of lime juice.

The Tropicana and Sans Souci night clubs are rapidly acquiring a world-wide reputation. The stage setting alone under an open sky is unique and the entertainment always has the dash, color, and fire expected from Latin America. You can be certain of seeing and hearing something quite unlike the stateside night club here.

Cuban music . . . you know plenty about it already: the mambo and rumba and the rest float out to you everywhere. Cuba leads among the Latin American countries with a local music style which rarely survives export to the USA undamaged unless on a gramophone disc. Listen to the trios and quartettes of street musicians with a guitar or two, maracas and a singer: they are all natural artists with good style which disappears when they try to play North American tunes.

Cubans are Proud of Their Past

You can rubberneck to your heart's content and enjoy it fully in Havana. It is one of the few places where the guides have some feeling for what they are showing and respond warmly to interested questions. Cubans generally are very conscious and proud of their colonial past.

The neighborhood of the Cathedral Plaza abounds in Spanish colonial buildings, including the wonderful Cathedral in a handsome, colonnaded square; the Rum Institute occupies a purely colonial structure and has one of the finest patios in Cuba. Morro Castle is a marvel in coral limestone which makes one wonder how

those old Spaniards handled the vast blocks of coral limestone of which it is built; the trip across the harbor mouth is pleasant in canopied rowboats which ply for hire along the waterfront. Most people take in a visit to a cigar factory—hateful term for an art which pays, in the higher grades, more attention to hand-craftsmanship than mass production. The curing room is a fragrant delight even to non-smokers.

See the rooms where the cigar makers work while a senior man reads a newspaper or novel aloud in lieu of canned music, an old Spanish custom you may know from hearing *Carmen*. See the grader at work and marvel at his eye for perfect color and matching, from the pale green *claros* down to the coppery-red strong cigars. A cigar in Cuban Spanish is a *tabaco* or a *puro*.

So, Señor, there is everything here you desire. For the Señora, you can go around the corner and buy alligator shoes, sandals or a handbag, if you shop carefully for good ones. So, why not plan now to visit this unusual city after our Miami Beach conference? Send your reservation, with deposit of \$10.00 per person, to the authorized travel representative—A. Harold Binder, Wyly's Tours, Inc., 2921 Collins Avenue, Miami Beach 40, Florida.

Plane and hotel accommodations have been reserved in group form. However, application must be mailed to Wyly's Tours not later than May 25, 1957. Accommodations are limited and this tour may not be available after your arrival in Miami as all allocated space will be taken back and any reservation will be on space-available basis. At least one free trip, and possibly two, will be given as an attendance prize at one of the general sessions. If the winner has signed for the tour the purchase price or deposit will be refunded. Excellent English-speaking guides and limousines on all tours.

Registration Blank

43rd ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

Miami Beach, Florida—June 16-20, 1957

Delegate Registration, \$20.00

Guest Registration, \$20.00

Check Type of Membership

☐ ACBoFA

☐ CWBC of NA

☐ N.R.C.A.

☐ I will attend CWBC of NA Breakfast, Monday, June 17, 1957—7:30 A.M.

Empress Hotel. (Cost Included in Registration Fee.)

Name _____

Firm _____

City and State _____

Will attend sessions of _____ Group

Will arrive _____

Mail Registration Blank with check attached payable to:

INTERNATIONAL CONSUMER CREDIT CONFERENCE COMMITTEE

c/o National Retail Credit Association

375 Jackson Avenue, St. Louis 5, Missouri

Admittance to All Meetings Will Be by Badge Only

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LOCAL ASSOCIATION

Activities



Gadsden, Alabama

At the annual meeting of the Gadsden Retail Credit Association, Gadsden, Alabama, the following officers and directors were elected: President, George Barnett, Ross-Gramling Furniture Co.; First Vice President, Ray Potter, Allan Denson Men's Wear; Second Vice President, A. W. Ryan, Leon Jones Electric Co.; and Secretary-Treasurer, H. G. Harry, Credit Bureau of Gadsden. Directors: P. Koss, Leeds Jewelers; C. T. Bugg, Bugg Furniture Co.; W. C. Tallent, Beacon Loan & Discount Co.; George Starling, Economy Auto Store; R. B. Cartledge, Cartledge Furniture Co.; C. Majure, Radio and Appliance Co.; and M. M. Hoffman, C. F. Hoffman & Co.

Washington, D. C.

The Retail Credit Association, Washington, D. C., has elected the following officers and directors for 1957: President, G. Edward Nagel, Lansburgh's; Vice President, Robert L. Marton, The Hecht Co.; Treasurer, Edna Rothe, Suburban Trust Co.; and Secretary, John K. Althaus, The Credit Bureau. Directors: Mrs. Thelma Buck, Woodward & Lothrop; Alvin G. Dulcan, The Mode, Inc.; A. S. Dougherty, Julius Garfinckel & Co.; Charles W. Prettyman, The Credit Bureau; William H. Schofield, Joseph R. Harris Co.; Mrs. Madeline Sellers, S. Kann Sons Co.; James W. Walden, Second National Bank; Thomas W. Carroll, The Credit Bureau; R. Lee Gilshrist, Central Charge Service; John J. Gorman, Riggs National Bank; Karl Kaplowitz, Kaplowitz Brothers; Francie E. Rowe, H. Zirkin & Sons; Walter N. Talkes, The Hecht Co.; Edward Cozzi, Frank R. Jelleff, Inc.; Chester A. Carter, Woodward & Lothrop; Dorothy Conway, The Hecht Co.; Robert Morris, Raleigh Haberdasher; James Sengstack, S. Kann Sons Co.; Roland Richards, Esso Standard Oil Co.; Jack Warner, Hechinger Company; and Willard P. Norwood, The Hecht Co.

Sioux City, Iowa

The 1957 officers and directors of the Sioux City Retail Credit Association, Sioux City, Iowa, are: President, Wallace Arney, Bekins Van & Storage Co.; Vice President, Howard Wall, Edwards & Browne Coal Co.; Treasurer, Elta Ebelheiser, Spalding Avery Lumber Co.; and Secretary, Lawrence S. Slotsky, Credit Bureau of Sioux City. Directors: Ray Bentson, Iowa Public Service Co.; and W. K. Winchell, Winchell Furniture Co.

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*

Pittsburgh, Pennsylvania

At the annual meeting of the Retail Credit Association of Pittsburgh, Pittsburgh, Pennsylvania, the following officers and directors were elected: President, E. E. Christy, Boggs & Buhl; First Vice President, W. C. Williams, Union Supply Co.; Second Vice President, J. R. Woodward, Gulf Oil Corp.; Third Vice President, S. Stone, May Stern; Treasurer, C. G. Kaessner, Kaufmanns; and Secretary, T. L. Ford, The Credit Bureau. Directors: B. J. McCrory, Beneficial Finance Co.; Miss M. Queenan, Rosenbaums; W. C. Washburn, Jr., Equitable Gas Corp.; and J. R. Woodward, Gulf Oil Corp.

Des Moines, Iowa

The 1957 officers and directors of the Retail Credit Association of Des Moines, Des Moines, Iowa, are: President, Paul Bryant, Des Moines Morris Plan; Vice President, Hugh Van Hosen, Bankers Trust Co.; Treasurer, Ivan Starke, Davidsons; and Secretary, E. H. Biermann, Credit Bureau of Des Moines. Directors: Ray Garns, Iowa-Des Moines National Bank; Betty Geist, DeArcy's Boot Shop; John H. Robb, Credit Bureau of Des Moines; Joan Haegen, Furniture Exchange; John A. Hayes, Younkers; and Jeanette Midgorden, Des Moines Register & Tribune Co.

Hickory, North Carolina

At the organizational meeting of the Retail Credit Association of Hickory, Hickory, North Carolina, the following officers and directors were elected: President, Perry A. Cook, Jr., Aetna Loan & Finance Co.; Vice President, L. G. Melvin, Jr., Sterchi Bros. Stores; and Secretary-Treasurer, Mrs. Margaret J. Huggins, Credit Bureau of Hickory. Directors: Ray H. Tilley, Hickory Finance Co.; Reid Cline, The Bisanar Co.; David Flowers, The Flowers Co.; Mrs. Victor Huffman, Melville's; Mrs. Ruth LaFon, Drs. Hambrick & Stewart; and Albert Miller, Sherwin-Williams Co.

Schenectady, New York

The new officers and directors of the Retail Credit Association of Schenectady, Schenectady, New York, are: President, Edward F. Dunleavy, Domestic Finance Corp.; First Vice President, Clifton A. N. Hill, Schenectady Trust Co.; Second Vice President, George Duncel, Howard's Office Equipment Co.; Secretary-Treasurer, Stannard M. Butler, Schenectady Savings Bank; and Assistant Secretary-Treasurer, Mrs. Bernice Boshart, Allen's Appliances. Directors: Virginia Keedy, Standard Furniture Co.; William D. Millard, G. E. Van Vorst Co.; Mrs. Bessie A. Tearn, The Wallace Co.; Richard Robinson, Robinson Furniture Co.; Stewart Robbie, Household Finance Corp.; Burton V. Consaul, Wm. Sherry Tire Co.; and Arthur K. Carmel, Industrial Bank of Schenectady.

PROGRAM Suggestions FOR LOCAL ASSOCIATIONS

A Novel Program of the Retail Credit Managers of San Francisco

THE EDUCATIONAL Committee of the Retail Credit Managers of San Francisco, San Francisco, California, is pleased to report the eventual development of its program, "The \$64.00 Question." The purpose of the program is:

1. To further the education of the membership.
2. To develop a tremendous interest in The CREDIT WORLD, which all our members receive monthly. All questions used were taken from this publication.
3. To provide light and interesting entertainment to our membership.

The program was patterned as closely as possible to the format of the popular television series of the same name without infringing on any copyrights. The cast, who worked hard to make this program a success, were:

Judges, Frank T. Caldwell, general manager, The Credit Bureau of San Francisco, and David K. Blair, credit manager, H. Liebes and Company. Mr. Blair is also third vice president of the National Retail Credit Association.

Mr. Fike, Banker, Charles J. Benson, The Credit Bureau of San Francisco.

Guards, J. Edward Krout and Sam Schneider, Krout and Schneider.

Master of Ceremonies, Norrie Waddington, Stores Collection Bureau.

Announcer, Frances Gotwalt.

Receptionist, Lorraine Shrader, Ransohoff's.

Chief Sound Man, Joseph A. Lopez, Pacific Telephone and Telegraph Company.

Co-Producers, Harold Chesney, General Petroleum Corporation of California, and Harold Cadd, Ransohoff's.

Contestants were selected from the audience, with great care given to an equal distribution of men and women and also a careful combination of new and well-known members. In addition, we had guest contestants who contributed their winnings to the Credit Women's Breakfast Club.

Questions were carefully prepared for the four monthly programs by Messrs. Blair and Caldwell. The Master of Ceremonies, dubbed "Hal" for the occasion, had all

the suavity and charm of his television counterpart. Our banker in the person of Charles Benson was surrounded by guards, who, as a special added attraction, always wore Keystone Kop uniforms, rented for the occasion. They also came equipped with Tommy Guns and on each program a new member would be primed to come running out of the audience and grab one of the critical questions from the announcer, whereupon he would be "shot dead," revived, and then introduced to the audience. See if you can beat that for a novel way to introduce a new member.

As the programs went on, the "ham" in all of us came out and we found ourselves writing corny commercials, ad-libbing, etc. All monthly bulletins advertising our monthly meetings contained the names of the following month's contestants as well as the issue of The CREDIT WORLD that would be used in the program. We found the best idea was to use the current one.

We ran our first program a total of forty-five minutes and for that meeting it was the entire show. Subsequent shows were in connection with the regular meeting and were only fifteen minutes long. We used a regular isolation-booth effect created for us through the courtesy of the Pacific Telephone and Telegraph Company. Some members thought it looked strangely like a telephone booth but that is just heresy—anyhow, our good friend Joe Lopea said "No" and that was good enough for us!

In the four months that we operated the show several contestants reached the \$32.00 plateau. Some stopped and took the money, while one brave young lady tried for the summit and missed. She won, however, a consolation prize of \$8.00 and a bright, shiny, red you-know-what—a Woolworth toy variety automobile. Harry Whitaker, Union Oil Company, was our lone entry who reached the top. His winnings were donated to the Credit Women's Breakfast Club.

The show was discontinued when we felt its popularity was at the highest because we wanted to bring it back again at some other time, and in addition we had to replenish our budget. For the money spent during the four months (no more than one would spend for an evening's dance music) we felt that we had stimulated a general widespread interest in our meetings, our Association, and The CREDIT WORLD, which in our opinion is the finest medium of credit education that the credit fraternity has today.

Our special congratulations go to L. S. Crowder, Arthur H. Hert, and the editorial staff of The CREDIT WORLD, official publication of the National Retail Credit Association.—Lew Williams, *Credit Sales Manager*, W. & J. Sloane, San Francisco, California, *Educational Chairman*, Retail Credit Managers of San Francisco.

Position Wanted

Canadian credit executive, age 29, 10 years' experience in retail credit field, department store chain, desires opportunity in Great Lakes or Pacific Coast area in United States. Fully experienced in all phases of cycle billing, charge, instalment, and revolving credit accounts. Box 3572, The CREDIT WORLD.

editorial comment

National Retail Credit Week

THIS IS the final reminder about *National Retail Credit Week* which will begin Sunday, April 28, and end Saturday, May 4, 1957. Requests for free portfolios of material indicate the interest of many communities in the United States and Canada and give assurance of their willingness to participate in this important event. For maximum nationwide impact and effectiveness, *every* community should have a program, even if only a limited one. Portfolios for the guidance of local committees will be mailed immediately on request to the National Office.

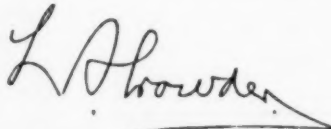
We stress particularly the effectiveness of N.R.C.A.'s educational film, "The Good Things of Life—on Credit." This 16 mm, 25-minute, black-and-white sound motion picture should be shown everywhere possible, particularly during *National Retail Credit Week*. The intensely interesting human story of the film holds audiences and registers an unforgettable credit message. The cost is \$150.00 for the first print and \$50.00 for additional prints. Prints are available for purchase from the National Office or may be borrowed from District offices. In the latter event, write to your N.R.C.A. District President.

Some communities which bought original prints at \$150.00 may find them to be wearing out from use, and replacements can be obtained at \$50.00.

Several communities have purchased additional prints of the film for donation to local school systems for showing to senior classes. This has proved to be a most welcome gesture for building good will, and has helped to cause the active support and encouragement of school authorities in including the study of retail credit in school curricula. This is an excellent way of ensuring that the student of today is well informed on retail credit and becomes a better credit customer of tomorrow.

National Retail Credit Week is intended to encourage credit customers to use their credit for greater enjoyment of the good things of life. The effect is to stimulate credit sales. Also, *National Retail Credit Week* emphasizes the importance of prompt payment of all obligations in order to build and maintain a good credit record. Increase in credit sales and improvement of collection ratios . . . surely desirable achievements! Participation in *National Retail Credit Week* will help bring them about in *your* community.

One last word . . . please let us know the details and the results of your local program, together with your suggestions to help us in planning this event next year.



General Manager-Treasurer
NATIONAL RETAIL CREDIT ASSOCIATION
